

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee February 16, 2023
Rough Draft

BREWER: All right. We have reached the bewitching hour. Welcome to the Government, Military and Veterans Affairs Committee. I'm Senator Tom Brewer, representing the 43rd Legislative District, and I am the Chair for this committee. The committee will take up bills in the order that they are posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us. Committee members may come and go during the hearing. It is just part of the process. We have bills to introduce in other committees. I ask you abide by the following procedures to facilitate today's proceedings. Please silence or turn off any electrical devices or phones. And when the time comes that your bill that you're going to speak on comes up, the chairs in the front row are set for the testifiers. Let's see, the introducing senator will make the initial remarks followed by proponents, opponents and those in the neutral. Closing remarks are reserved for the introducing senator. If you're planning to speak today, be sure to fill out one of the green forms. We ask that you fill it out legibly and bring it up and hand it to either one of the pages or the clerk when you come forward. If you are here and do not wish to testify but want a record, there's white sheets in the back. You can fill them out. If you have handouts, we need ten copies. If you don't have ten, we have the pages that can help us make copies. If you plan to testify-- or when you come to testify, please speak into the microphone and then clearly state your name, spell first and last name. I think we'll go five minutes today. So we'll use a light system. So you have four minutes of green, one of yellow and then when you hit your time, you'll see the red light and there will be an audible alarm that will go off so that's your warning. So no displays of support or opposition from the audience is allowed on bills, vocal or otherwise. This is a public hearing, hearing and just out of respect, we'll ask not to do that. The committee members that are with us today will introduce themselves starting on my right with Senator Conrad.

CONRAD: Good afternoon. Happy almost weekend. Danielle Conrad from north Lincoln.

RAYBOULD: Good afternoon, everyone. I'm Jane Raybould. I'm with Legislative District 28, which is the center of Lincoln.

SANDERS: Good afternoon. Rita Sanders, District 45, which is the Bellevue-Offutt Community.

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AGUILAR: Hi. Ray Aguilar, District 35, Grand Island.

LOWE: John Lowe, District 37: Kearney, Gibbon and Shelton.

HALLORAN: Happy snow day, everybody. District 33, Steve Halloran, which is Adams, Kearney and Phelps County.

BREWER: Senator Sanders is the Vice Chair. Dick Clark is legal counsel. Julie Condon is committee clerk. And our pages are Logan and Audrey. With that, we will welcome Senator McDonnell to tell us about LB111.

MCDONNELL: Chairperson Brewer, members of committee, thank you for all being here. I almost didn't come today, but I really saw you guys' dedication at 9-- 9 a.m. during check in and motivated me to get down here. And also I wanted to be here for this-- these next two bills. So thank you for being here and sticking around with the weather going on. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. Today I bring to you LB111 which was re-- will restructure the Nebraska Volunteer Service Commission, also known as ServeNebraska, as a statutory agency in an effort to allow the commission to be more effectively carry out its many missions serving the people of the state of Nebraska. This effort began a little over two years ago after the commission members reached out to me about the possibility of making this change. This committee voted this bill out without opposition last year, but we just ran out of time in the session. The Nebraska Volunteer Service Commission, also known as ServeNebraska, was created through executive order in 1994 by Governor Ben Nelson, pursuant to the federal National and Community Service Trust Act of 1993. This commission receives grants, allotments and service positions on behalf of the state under the federal act to implement programs, administer funds that address critical needs within our community. LB111 would restructure the commission to-- as a statutory agency in an effort to allow the commission to be more effect-- more effectively carry out its many missions serving the people of the state of Nebraska. The commission has implemented programs and administered funds received from the Cooperation for the National and Community Service and has used these and other funds to cultivate community services and volunteerism and for the programs focused on education, economic opportunities, disaster response, environmental stewardship, healthy futures and veteran and family and military of-- for veterans and military families. As part of this program, the commission has administered AmeriCorps for the state of Nebraska at a national level. Over 1

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million people have served as AmeriCorps members since 1994 and provided over 1 billion hours of service. The AmeriCorps program leverages more than \$1 billion in resources from private, philanthropic and other sources each year and mobilizes or manages over 2 million community volunteers each year. In 2020, Nebraska had over 2,700 AmeriCorps senior members and volunteers serving in 335 locations across Nebraska, with a total federal and local investment of \$7.3 million. Serving Nebraska [SIC] currently receives \$30,000 from the Nebraska Legislature. This bill will align ServeNebraska with other similar organizations, such as other state-supported boards and commissions, the Nebraska Arts Council and other state volunteer commissions. ServeNebraska also benefits many entities outside of Nebraska, nonprofits and state and local governments. Nebraska financial and educational institutions have received more than \$38 million in AmeriCorps alumni education awards payments from over 12,000 AmeriCorps alumni who have successfully served Nebraska communities between 1995 and 2020. ServeNebraska has furthered a culture of civic engagement and fostered opportunities for public service in Nebraska and restructuring the commission as a statutory agency will provide the Commission with stability and preserve, preserve its autonomy, align the commission with comparable organizations in Nebraska and across the nation and allow the commission more effectively to carry out its many missions serving people of Nebraska. So there's roughly-- we're one of 15 that still operates this by executive order. Trying to look at how we can improve on the great work they're already doing. There's four people that are going to testify here today. I think the opportunity that we have to, to strengthen them and again, give them that autonomy to further their mission, I think, is the right approach. And I appreciate the support of the members that were here last year. And again, as we talked about, we just ran out of time with the session. But I appreciate your support last year. I'm here to answer any questions and I will definitely be here to close.

BREWER: All right, thank you. I don't remember last year that there was any opposition. It was just time was the only thing that ran against us. OK. Questions--

McDONNELL: Yeah, we actually had great support. I hope I didn't jinx us here. I hope there's nobody in the room that's an opponent, but last year there wasn't.

BREWER: Maybe I'll just skip any opponents. Go ahead. Senator Raybould.

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RAYBOULD: Yes. Senator McDonnell, thank you for being here. Could you tell me a little bit more about the existing structure of ServeNebraska? Do they have full-time employees now?

McDONNELL: Yes, they do. And they'll go into further detail about the other, but currently they're under Health and Human Services. And you're going to ask yourself, what do they do? The better question is, what don't they do? And when they start going through all the different areas that they affect in our state-- yeah, currently that's-- the idea of they have done good work over the last 30 years, but to remove them, actually have them as a standalone agency not under HHS anymore and not under executive order is the goal.

RAYBOULD: And then will they also explain the fiscal note and any changes?

McDONNELL: Yeah, no I can explain the fiscal note also.

RAYBOULD: OK.

McDONNELL: So if you're looking at actually the fiscal note, I wanted to give you the most updated one.

RAYBOULD: OK.

McDONNELL: As I mentioned in my, my testimony, you're looking at about \$7.1 million-- \$7.3 million they're bringing in through the feds and other organizations. We're responsible for the \$30,000 right now as the state of Nebraska. That's not going to change. And basically what we're doing is basically taking the, the money that they're receiving through HHS under their, their budget and we're making them independent, but it's not going to change the dollar amount.

RAYBOULD: So I guess it looks like it's just--

McDONNELL: And I would want to say in there, I think they put something in there, high and low possibly, of \$12,000, which would be-- would stay-- remain within their budget. I believe if you look at the fiscal note, it shows that a high of \$12,000 or-- I'm sorry a high of \$15,000, a low of \$12,000 based on the change in the last paragraph of the fiscal note. That's dated February 16, 2023, what you have in front of you. But otherwise, that would be taken care of within the agency.

RAYBOULD: OK. So it's really--

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McDONNELL: So there's no fiscal note.

RAYBOULD: --just-- it's just a transfer of the general funds from HHS to the agency here, right?

McDONNELL: And the federal funds.

RAYBOULD: And the federal fund of, like, \$1.5 million.

McDONNELL: It's more than that, but yes.

RAYBOULD: OK. But that's, that's what's listed.

McDONNELL: And serving on Appropriations, I, I appreciate fiscal notes. They're not always right. So there's more money coming in from the feds. And what I'm concentrating on is the \$30,000 from the state.

RAYBOULD: OK. And then help me understand what is a revolving fund appropriations estimate per employee over a 12-month period? What is that?

McDONNELL: And that's what I'm saying is that within that high of 12-- or high of \$15,000, low of \$12,000, it would be taken care of within the revolving fund. So we're not asking for more money--

RAYBOULD: OK.

McDONNELL: --bottom line.

RAYBOULD: Well, I-- thank you. And then I guess my last question is OK, so it didn't pass last year and ServeNebraska did OK, right? They continued to do--

McDONNELL: ServeNebraska has been doing great for the last 30 years.

RAYBOULD: They've continued to do their mission no matter what umbrella they fall under, right?

McDONNELL: So yeah, this is an idea of taking excellence to the next level.

RAYBOULD: OK. Thank you.

BREWER: OK. Any additional questions for Senator McDonnell? You'll stick around for close 'cause you're up next.

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McDONNELL: I will be here.

BREWER: OK, just verifying. All right, we'll start with proponents to LB111. Have a seat. Sit on down. You, you have the controls.

CLARENCE KING: Hi. Good morning. Thank you, Chair Brewer. Thank you, senators of the committee. My name is Clarence, C-l-a-r-e-n-c-e, King, K-i-n-g. I go by C.J. I am the vice chair of ServeNebraska. You were going to get a much better speaker and the snow happened. I've been appointed as a commissioner in 2020. And my day job is I work as a international rep for the International Brotherhood of Electrical Workers. Congress created AmeriCorps in 1993 as a federal, state and local partnership to support community-driven solutions. Three-quarters of the \$455 million of AmeriCorps federal funds are distributed through state and national grant funding and are managed by governor-appointed state service commissions. That means the state service commissions are the key partner, funder and service delivery mechanism at the state and local level. ServeNebraska, Nebraska's Volunteer Service Commission, was created in 1994 to be the pass-through entity for the federal AmeriCorps funds. ServeNebraska was created through an executive order, as Senator McDonnell stated, and has been operating in that capacity ever since to further a culture of civic engagement and foster opportunities for good community service in Nebraska. As a local agency, ServeNebraska is able to assess Nebraska's specific needs and act to direct both funds and manpower to where it is needed most. Not only does the commission administer AmeriCorps state and national, as well as VISTA grants, ServeNebraska plays a critical role in addressing more short term and/or emergency needs. When the state experienced destruction from tornadoes and flooding, ServeNebraska was at the table as part of a statewide group, Nebraska Volunteer Organizations Active in Disaster. The commission worked to activate our citizens, sending out messages to encourage volunteerism and letting them know where and how to get involved. We also activated our regional AmeriCorps, our National Civilian Community Corps, and brought AmeriCorps teams to Nebraska from other states to assist with mucking and gutting homes and setting up volunteer centers. AmeriCorps members worked alongside other volunteer organizations to lift up our citizens. We stayed for as long as the community needed, needed us and then some by bringing-- I'm sorry-- as long as we needed and then some by bringing back AmeriCorps teams several times to serve the community in other ways. Likewise, the ServeNebraska Commission collaborates to support AmeriCorps seniors who serve across the state of Nebraska in foster grandparent programs in our schools, RSVP and senior commit-- companion programs

to support our aging citizens. ServeNebraska also encourages volunteerism and honors volunteers to our annual Step Forward Awards program. This event is the highest honor of recognition for Nebraska volunteers and volunteering organizations. We not only create opportunities to volunteer, but we also celebrate and recognize those that are already active volunteers. Nebraska is ranked seventh in the nation in formal volunteering and second in the nation for informal volunteering. It's neighbors helping neighbors that make a difference, especially in our smaller communities across the state. And we know that dedicated volunteers make a difference every day in Nebraska and have for many years. Community service keeps us more active, keeps us healthy and reduces loneliness at any age. Considering retirement, I hope that's a true statement. Volunteers engage in their communities at higher rates than nonvolunteers. They more frequently talk to neighbors, participate in civic organizations, address concerns in the communities, attend public meetings, discuss local issues with family and friends, do favors for neighbors and vote. The work of the commission is vital to communities, organizations and individuals across the state and support from ServeNebraska's mission demonstrates the value Nebraska attributes to service and volunteerism. Passing LB111 will allow the services of the commission to be sustained and to grow with the needs of the communities. Through testimony today, you'll hear about some of the ways in which ServeNebraska has impacted Nebraska communities. And we as commissioners seek to continue these efforts and to grow volunteerism and national service across Nebraska. Restructuring the commission as a statutory agency will provide the commission with stability, preserve our autonomy and allow the commission to work more closely with elected representatives to efficiently serve the people of the state of Nebraska. Thank you.

BREWER: Thank you. I was trying to track-- hang on just a second. Let's see if we have any questions for you. Questions? Senator Raybould.

RAYBOULD: Thank you, Mr. King. I am aware and familiar with all the great things ServeNebraska does.

CLARENCE KING: Yes,

RAYBOULD: I have a question. And I know Senator McDonnell said you want to create this separate agency to take it up to the next level. So the question is, like, well, what does that mean? The other thing that I noticed is that in the fiscal note, it says you currently have eight full-time employees.

CLARENCE KING: OK.

RAYBOULD: But here it says that, that you could hire up to 15 full time.

CLARENCE KING: I'm probably not the right person to answer the question on, on staffing levels.

RAYBOULD: OK.

CLARENCE KING: That would be a future testifier. As far as I've seen-- and, you know, as I stated, the, the ability for us to continue the good work we do as well as improve upon it, the autonomy portion of it, we're, we're, we're a very small fish in a very large pond as a part of DHHS. And I, I think it also helps as far as the oversight for the Legislature goes as well. You know, I don't, I don't want to be snarky, but I challenge you to name a hundred, you know, entities under DHHS and that's only the start. Whereas as, you know, we would be beholden to the Legislature in the future and that's important.

RAYBOULD: And the-- my last question, if I may, is so this independence, would it allow you to go out for more grants, bigger grants? I mean, I'm trying to think what are, what are the the positives of doing this shift and--

CLARENCE KING: Is that more a question for you, Cathy? I'll let-- our executive director is going to testify as well. And I--

RAYBOULD: OK.

CLARENCE KING: --I don't want to throw her under the bus, but I believe she's more qualified than I am to answer that question.

RAYBOULD: That sounds great.

CLARENCE KING: Sure.

RAYBOULD: All right, thank you.

CLARENCE KING: Thank you.

BREWER: All right, any additional questions? Thank you, sir, for your testimony.

CLARENCE KING: Thank you.

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BREWER: Welcome to the Government Committee.

KAROL SWOTEK: Well, good to see you, Tom Brewer, class of '77.

BREWER: I should, should warn you that we go back a long way.

KAROL SWOTEK: Gordon Broncs right here. Gordon Broncs. My name is Karol, K-a-r-o-l, Swotek, S-w-o-t-e-k, and I am testifying in support of LB111. Here it goes. I grew up in Gordon, Nebraska, as a member of the Merrymakers 4-H Club so many years ago. Being a 4-H member taught me valuable lessons in volunteerism. So much so that I'm a volunteer 4-H leader with Lancaster County, amassing countless hours over 17 years, which I consider to be time well spent. My efforts were rewarded at the Step Forward Awards ceremony as an honored volunteer in 2015. I met wonderful, engaged people throughout Nebraska who are making significant impact in their home communities by volunteering in various ways. In 2019, I had the opportunity to join ServeNebraska staff as the coordinator of the Step Forward Awards. This gave me a broad section view of Nebraska's communities and the dedicated volunteers that put their heart and soul into making Nebraska shine with pride. That year was particularly moving, as we were celebrating being Nebraska strong after the horrific floods in the spring of 2019. Recognizing and honoring these heroic efforts keeps our community strong, builds community pride and bolsters our entire state from the ground up. In 2021, it was my pleasure to again serve the-- work with ServeNebraska staff to celebrate Nebraska volunteers through our virtual celebration, which Nebraskans viewed at home due to the pandemic. How amazing it was that we still had Nebraska-- resilient Nebraskans working in their communities, helping as they could in these stressful times? Nebraskans are undaunted when it comes to rising up to help their neighbors in need. Nebraskans truly take pride in volunteering, as we are the second national standard for informal volunteering and seventh in the national for formal volunteering. These numbers show that Nebraskans clearly care about investing in their communities. It simply makes sense that Nebraska has a song-- excuse me-- a strong and secure volunteer service commission to protect and preserve that culture of service that makes our state special. I urge you to support LB111 and to position ServeNebraska for even greater success.

BREWER: Thank you, Karol. All right, questions? And you cannot ask anything about our past.

KAROL SWOTEK: Oh, I got the goods. I got the goods.

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BREWER: She actually does. She's sworn to silence. I don't have to worry. OK. John Lowe.

LOWE: Thank you and thank you, Ms. Swotek, for being here. And what juicy stories do you have about Senator Brewer?

BREWER: All right. Any questions about the bill? All right, thank you for your testimony.

KAROL SWOTEK: Good to see you.

BREWER: All right. We're still-- yeah, proponents to LB111. Welcome to the Government Committee.

BRIAN BRIM: Hello. I am Brian Brim. That's B-r-i-a-n B-r-i-m. I am here in my own capacity. I'm an AmeriCorps alumna. So my story is that when I graduated from undergrad in 2006, I wasn't quite sure what to do as far as my, my future and my path forward. And I did a service year with AmeriCorps from 2006 to 2007 and I worked at an Asian community and cultural center during my year. So I was able to serve an underserved population in Lincoln, Nebraska. And I learned a great deal about myself, about my community and provided service through that opportunity. And what I learned, it didn't necessarily put me on a path immediately. It took me a few more years to find where I wanted to go, but that service gave me a set of values and a direction that I drew upon and that was vital in my choice to go to law school and it was essential in the selection committees at the schools I applied to in their perspective on my application. And so I drew on my experience to, to propel me forward. And I have since graduated from law school, been an attorney for the state of Nebraska. So the idea of service to the community and to the state carried through from my experience with AmeriCorps. And I think that anything that the state can do to help stabilize and ensure that that opportunity for individuals to serve and for the community to be served through the AmeriCorps program is a great benefit and worth exploring and investing in.

BREWER: All right, thank you for your testimony. Let's see if we got some questions for you. Questions for Brian? All right.

BRIAN BRIM: Thank you.

BREWER: It must be a Friday afternoon here. OK, next proponent for LB111. Welcome to the Government Committee.

CATHLEEN PLAGER: Good afternoon. Thank you very much. My name is Cathleen, C-a-t-h-l-e-e-n, Plager, P-l-a-g-e-r. I am the executive director of ServeNebraska, the Nebraska Volunteer Service Commission, and I have been in my position for ten years. Through my testimony, I want to provide you with a bit more reasoning behind the creation and operation of ServeNebraska. ServeNebraska, as the Nebraska Volunteer Service Commission, was created under executive order by Governor Ben Nelson in 1994 to receive pass-through federal funds to support AmeriCorps. Our mission is twofold. It is to support, encourage and honor volunteering in the state of Nebraska, as well as play a central role in advancing AmeriCorps national service as a strategy in addressing Nebraska-specific needs. We competitively award grants to local nonprofits, government, education and faith-based agencies, provide training and technical assistance, monitoring grantees to ensure quality and compliance with federal and state law and broadly promote service and volunteering. We are able to support key initiatives such as decreasing high school dropout rates, expanding student mentoring, helping veterans transition to civilian life and mobilizing volunteers in response to disasters. ServeNebraska also supports volunteer recognition in Nebraska. We serve all people who live, work and play in Nebraska. The federal funds that ServeNebraska receives comes in the form of several grants, all that are allocated from the federal AmeriCorps agency based on population of the state. The commission began receiving \$30,000 of general funds from the state of Nebraska for the first time in 2006, 12 years following its creation. In 2007, a memorandum of understanding was created between the Department of Health and Human Services and ServeNebraska to assist with back office support. In order to spend their federal funds, state commissions are required to match certain grant funds at a rate of 50 percent. This, this state funding and MOU was established in part to help meet that match. In this way, it is ensured that the states demonstrate investment in AmeriCorps programs that are serving their communities. For many years, ServeNebraska was not able to meet this match requirement and in 2013, when I became executive director, I spent a great deal of time chasing match in order to meet our federal obligation. We continue to utilize staff time and efforts to generate this match, which I believe is not cost effective. Thirty-five of 52 state service commissions are supported financially by their state. Among those 35, general fund monetarily support ranges from \$20,000 to \$4 million. This year, governors in four states are elevating state commissions into either creating offices or placing the commission into government that revital-- re-- revolutionizes service, understanding that service is a cost-effective way to answer

many of our community concerns, such as building bridges of unity, workforce development and increasing volunteerism to help keep our seniors healthy and connected. ServeNebraska's federal administrative grants annually add up to a total of \$550,647. Those are our administrative grants. These funds are used to monitor the AmeriCorps pass-through federal awards, as well as provide for staffing, training and technical assistance for ServeNebraska staff, AmeriCorps subawardees and AmeriCorps members and governor-appointed boards, boards of commissioners. The ServeNebraska Commission is required to match \$378,000 of the aforementioned \$550,647. ServeNebraska receives in excess of \$4,391,710 of federal funds annually, which is fully granted out to fund AmeriCorps programs who match their federal funds by 24 percent or more. In addition to AmeriCorps grant administration, ServeNebraska provides support to other streams of service across the state. We promote and support programs such as AmeriCorps National Civilian Community Corps, Peace Corps, AmeriCorps VISTA, and AmeriCorps Seniors. National service should have a strong state and local collaboration to ensure that service thrives and the ability to address diverse challenges surfacing in communities. The development of AmeriCorps positions, as well as other volunteer engagement strategies, provide for real-life education, professional and workforce development opportunities for the next generation of leaders. Community service and civic engagement are part of the service ecosystem and brings divided communities together for a common cause. We see service and volunteerism as an important part of communities and supporting national service makes sense, as it is a cost-effective strategy that solves problems, expands opportunity and strengthens communities. ServeNebraska is working to expand the services that we can offer to communities that we are not currently in. We believe that LB111 will allow us to explore that expansion of services, provide service to our most vulnerable citizens, help solve critical issues across the state in Nebraska, allow ServeNebraska with the stability of being accountable to the Legislature and grow service across the state.

BREWER: All right, thank you. OK, questions for Cathy? All right, Senator Raybould.

RAYBOULD: Thank you, Ms. Plager, for coming. So I'm trying to understand, in the fiscal note, it talks about the eight employees and on the high end, there's a certain amount. And then plus the \$800,000, which is the, the operating expenses, but, but it only comes to \$922,424. But you're still asking for the appropriation of \$1.4 million from HHS.

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CATHLEEN PLAGER: What we are asking for is to be a statutory agency and be budget neutral. So what DHHS puts into us, to be budget neutral. And I got to tell you, I'm not-- I'm pretty green at this so I'm going to defer any fiscal notes to-- questions to Senator McDonnell, if you don't mind. I apologize.

RAYBOULD: So one of the questions I asked before, you have eight full-time employees?

CATHLEEN PLAGER: We currently have seven--

RAYBOULD: Seven.

CATHLEEN PLAGER: --looking to hire an eighth person.

RAYBOULD: OK and then I noticed it does clearly say if appropriated. And so it seems like there is a gap between the \$922,000 and the \$1.4 million and so is that to, to hire additional staff or--

CATHLEEN PLAGER: What we currently have that we're working with is we receive several grants and it gets a little confusing, but our administrative funds are over \$550,000 and that's how we, how we hire our staff members is through those federal funds. We have an MOU with DHHS and so we are DHHS employees. We use their FTEs. Does that make sense?

RAYBOULD: Yeah.

CATHLEEN PLAGER: OK.

RAYBOULD: And so going forward, will you still-- you're going to be a separate agency. So I don't know if in your testimony or someone else's testimony talked about the back office staff that does a lot of the support, administrative support work. So I'm guessing that gets severed, right?

CATHLEEN PLAGER: Yes.

RAYBOULD: OK.

CATHLEEN PLAGER: So that's what our MOU is about. So because when we were created under executive order, during that period of time, the commission was only receiving \$150,000 almost 30 years ago and they couldn't get anything off the ground. And so because of that, they joined forces or had an MOU with DHHS. DHHS does not have any

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responsibility for us. They just provide those manpower hours to help. So once we've approved invoices that have come in, they then go to DHHS. DHHS pays those invoices and draws our federal funds down. And so that's the gap between what we do and the payments of those, the checks that go out.

RAYBOULD: So is a big part of the work, besides organizing the volunteers and all the great outreach you do, is it also grant writing in-- that you do or--

CATHLEEN PLAGER: We do a lot of grant writing. We, we send out notice of funding opportunities. Nonprofits, faith-based organizations, government, educational institutions will apply for those funds. We then receive those grants back. Those applications-- we'll work through those applications. Our commissioners then also work with us to approve those funding and then we work with each one of those subawardees, making sure that they are set up for success. Once they receive their money, then they are recruiting AmeriCorps members to serve in the community where they're at.

RAYBOULD: So my last question is-- and I know Senator McDonnell said by separating from HHS, you're going to be able to take it up to the next level. So what are some of the top two things that you hope to accomplish--

CATHLEEN PLAGER: We are--

RAYBOULD: --being independent?

CATHLEEN PLAGER: We are, as you said, looking for autonomy. We get caught up in DHHS. We are also looking for the stability position because through executive order, I know it wouldn't seem like a popular thing to eliminate us, but it's happened in other states where a governor says, nope, I don't want them around and they're gone. It happened in South Dakota. So we're really looking for that stability and that autonomy. To answer your question, I do believe that we would have the, the, the ability to do even more. When I look to our other progressive states out there, they're doing more with workforce development certificate, workforce development types of things, working with the trades and healthcare, childcare in order to help build our young people up in order to get into the workforce. And as you heard from Brian's testimony, what we try and do is help pave that way for a better path to workforce with our individuals.

RAYBOULD: Thank you very much.

CATHLEEN PLAGER: Thank you.

BREWER: All right, additional questions? OK, thank you for your testimony. OK. I hope my voice holds out here. Additional proponents? Is there anyone in opposition? Is there anyone here in neutral? Senator McDonnell, come on back. OK, before you start, let me do some reading in. We have a new sheet because of today. So we have eight proponents to read into the record here. We have zero opponents and zero in the neutral. Very good place to be, by the way. Position comments in support of this bill are-- let's see, position comments are-- there are zero in opposition. Additionally due to the inclement weather and extension of the deadline for online position comments, there may be additional comments added to today's hearing and will be available later. With that, Senator McDonnell, you may close.

McDONNELL: Well, let me just start by correcting the record that Senator Brewer graduated in '97, not '77 and--

BREWER: Thank you. She's not going to buy that.

McDONNELL: Trying to kind just-- and I'll, I'll-- Senator Raybould, I can meet and go through that fiscal note with you because I know it does get somewhat confusing. But the idea of having them as an independent agency, if there's a dollar being spent, the goal is then to try to get them to be an independent agency and double that dollar. It's-- the idea is to give them, again, the stability going forward and obviously the ability to grow. And as you think about Department of Health and Human Services, they've been housing them and there's been basically a pass through. Not a great fit, but it'd be like if we wanted to take the Arts Council and then go back to the DHHS. It doesn't-- anyway. So there's a lot of-- for us on serve-- that serve on Appropriations, you have every one of the agencies come through and you through all their programs. And so looking at that point, but I think we-- all of us, you want your, your family, friends and neighbors to be safe. Two, you want to spend time with your family, friends and neighbors. And three, you want to take your time, talent or treasure and get back to your family, friends and neighbors. This is the conduit to do that. That's-- that gives people an opportunity. The numbers are staggering by how many people you think that have gone and volunteered and all the millions of hours that are being given back to, to our state. And again, as we talked about last year, as we ran out of time, having the support, hopefully this year, if we have

the support and if we can answer any more of your questions, we'd like to try to get it out as soon as possible. And again, it's just trying to take something that's doing very well and improve on it.

BREWER: All right. I don't want to put words in your mouth, but so since there's no opposition, you'd like to have that Execed on as soon as possible. Oh, well, let's see if we got any questions about that. Any questions for Senator McDonnell? All right, we will make a note and change out to get reset for your next bill. Thank you. All right, we have reset for LB655. Senator McDonnell, whenever you're ready.

McDONNELL: Thank you, Chairperson Brewer and members of committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, south Omaha. Today I have the pleasure of introducing to you LB655, a bill designed to cover the local match for the State Fire Marshal to partner with the Nebraska Forest Service to apply for the Community Wildfire Defense Grant. This grant will allow for planning for the establishment of two statewide fire response teams that can assist our local fire departments in managing prescribed burns and wildfires. Additionally, it will inventory readily available resources and volunteers for such fires, appoint two unit leaders, reimburse sponsoring agencies for backfill costs associated with personnel or tools utilizing-- utilized by those response teams. LB655 is tailored to bring about a multi-- multitude of advantages. Not only does it strengthen our ability to act rapidly and efficiently in the midst of a catastrophic wild-- wildfire scenarios, but it also works as an ideal solution for addressing Eastern Red Cedar expansion, which has been steadily escalating over time. Prescribed burns are an important tool for controlling and suppressing the spread of the Eastern Red Cedar. When, when, when properly planned and carried out, prescribed burns can reduce the competition from the cedar encroachment and make it easier for native grasses to regenerate. And I'm sorry, I forgot to give you the handout. Here's my testimony. Prescribed burning also helps to reduce the risk of catastrophic wildland/wildfires events by reducing fuel loads on the landscape, which lowers the intensity of the wildfires when they do occur. In addition, these fires provide important benefits, such as releasing nutrients into the soil that support plant growth and providing habitat for wild-- wildlife species. With this in mind, LB655 will enable Nebraska to better prepare for future wildfire events through enhanced capacity for proper planning and implementation of prescribed burns. In 2022, there continued to be a surge of catastrophic wildfire events in Nebraska. These events exhausted resources and claimed lives. 2022 was the second-worst year

of wildfires in Nebraska, with nearly 200,000 acres of grasslands, croplands and forest burning in the state. With escalating risks, the need has never been greater for community-based wildfire preparedness and response efforts. Shane Hunter-- I was working on-- he was our State Fire Marshal for 72 hours and this was something that he was passionate about and I want to have you hopefully keep Shane in your thoughts and prayers because he's fighting for his life right now. I'm trying to look at-- and Shane was a firefighter in California, fought wildland fires. He had that experience. He was my-- one of my assistant chiefs for five years. Serve-- then he went to MUD and he started working on their safety program after they had a fire in the Old Market that almost killed a number of people. So Shane had a great deal of experience and passion for firefighting. So what our thought was, how do we do this and how do we look at USAR possibly, urban search and rescue, where we can backfill, where we don't hire people, but we have those people ready to go? So it could possibly be someone that's on in Omaha in engine one right now. And the call goes out that there's a, there's a fire in Scottsbluff. We're going to move them as part of the state response team. Then Omaha would backfill. Or it could possibly be John Doe working in, in Scottsbluff and working at the NAPA store and as a volunteer. Then the John Doe that owns NAPA says I got to backfill someone with overtime. We're going to move this person out to the fire. So it would be the, the, the paid and the volunteer firefighters working together to be able to respond. Now with the idea of of where we're at with spending \$20 million a year trying to, to remove mechanically the red cedar that's taking over a number of acres of our state, trying to offset that, use the prescribed burns and, and at the same time, get that kind of training, but also have that same people that are going to respond to those large forest fires when the prescribed burns don't work and slow down the red cedar. So try to have that new discussion and our new, our new state fire marshal Scott Cordes, trying to work on this with him now and others. The goal is, again, how do we, we prepare for the future knowing that we're going to have forest fires in the future? And also making sure that we're training our people and then put ourselves in a position financially as a state where we could backfill and have people trained and ready to go when needed.

BREWER: All right. Thank you. Now, if we're to take your concept and bring it into reality, say the fire at Halsey, how, how would that have kind of come together in your concept of what you're wanting--

McDONNELL: So at the point where the Fire Marshal says that we can't-- the local firefighters are getting overwhelmed, they would put out the

call and say, OK, we're going to activate a-- let's say we have two teams of, of firefighters. So it's-- we're going to activate team A and they're coming from different parts of the state and potentially using the equipment on the scene or bringing their own equipment. But at that point, you have that kind of backup because those departments or that volunteers are going to go ahead and backfill. Basically, as example I gave earlier, engine one and the NAPA dealership. So we're not going to, we're not going to harm the-- we're not going to reduce the safety of the communities that they're coming from, but they're ready to go. The idea of the prescribed burns is to get that team working together at times in the state. So we use it twofold. It's a training mechanism, but also, as I'm using, for example, the red cedar, we have to either mechanically remove that or remove it through prescribed burns. So it's a, it's a way of trying to have different-- two different teams coming from two different-- all parts of the state to converge when that Fire Marshal says the local fire department is saying we need help now.

BREWER: So in the case of, say, halsey, at the point that fire had grown to where locally they couldn't handle it anymore, does then the, the emergency call go to the State Fire Marshal then he starts mustering assets from wherever?

McDONNELL: Yeah and hopefully with knowing that you have this kind of backup, that fire chief would hopefully reach out to the State Fire Marshal earlier where the State Fire Marshal could say we're putting everybody on standby. So you could be going in the next eight hours, ten hours, 12 hours or they start moving the people that have trained and are part of team A towards that scene because they can always call them off and say, OK, we're going to, we're going to send you back. But it's that we're trying not to lose those-- that hour, two hours, three hours a day until people can get out there to help them.

BREWER: OK. All right, questions for Senator McDonnell? Senator Lowe.

LOWE: Thank you and thank you, Senator McDonnell, for bringing a bill like this. Can't they already do that, pretty much? I mean, out in western Nebraska, I think they're cross-trained on pretty much everything.

McDONNELL: So the idea of mutual aid, yes. The idea of having some real a**kickers that are trained in this, that work as a team, that are coming in and they're going to really make a difference, they're-- I'm not trying to say-- take away from anyone's ability if that

individual in engine one who-- or that person that's volunteering in Scottsbluff, but to work as a team and to be specific and, and direct on what kind of fires you're going to fight. I know, for example, fighting fires in a structure versus a forest fire is-- it's night and day. And that's one thing about mentioning Shane Hunter was that he brought that experience from California as a California forest firefighter before he came to Omaha as a Omaha firefighter. So-- but the idea of having that team and having these people, not only that, that moment when that forest fire hits, but working together throughout the state with those prescribed burns and really building that team unity, but also trying to stop those tragedies before they happen. That's, that's the goal. And get more people on the scene faster. Never taking away from someone who shows up to volunteer there. We thank them. They're there to, they're there to help and they make a difference. But to make our teams that come in fast and hard, hopefully they get called off. Hopefully, they don't need them. But if they need them, they're going to have to say stop rather than go because they're going to get after it.

BREWER: And to kind of go along the same line, I was out there on the Halsey fire and there were assets that were arriving. Federal assets since it was Forest Service. We also had Guard assets and we ran into problems with the local fire department didn't have the radios necessary to talk to the helicopters or to coordinate from Thedford Airport, which fortunately we had upgraded just a couple of years ago. And so trying to bring all the extended state assets, federal assets and then local all together and having someone who could kind of, you know, run this whole hub of activity and still have communications across the line became the challenge. Which they sorted through, but I could see how if you had more of a fixed structure, a plan, that would smooth it out.

McDONNELL: And building that team through those prescribed burns, you're basically doing your training as you're trying to stop these fires for the future.

BREWER: And that fire burned so fast they were trying to get all the State Patrol and the sheriff's office. Well, unfortunately, in those counties out there, you may only have a sheriff and a deputy. And so to shut down Highway 2 and then to be able to manage the county roads too just become a little more than anybody can handle. And the fire was literally, you know, burning almost as fast as you could travel to warn folks. OK. Sorry. I didn't mean to cut into your presentation here.

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McDONNELL: Well, thank you. It's the idea of getting the, the local department and, and, and the state and all resources coming in working together and working quickly, knowing that they have-- the people are a phone call away that are going to be there to help.

BREWER: And we had about 20 of these small grassroots, which is really a pickup truck with the tank on back. They were scattered throughout the Sandhills, but being able to know where you're at become impossible. You're, you're in the Sandhills somewhere and trying to get those vehicles to move to a position. The only way they could do it was through the aircraft above. But the aircraft above couldn't talk to the vehicle on the ground. So it just become a, a challenge to try and bring the effort together. Yes, Senator Lowe.

LOWE: So with this funding, would there be money in there for communications for these pickups on the ground, that they would be able to-- because that seems to be a lot of it is communications.

McDONNELL: Jerry, Jerry Stilmock is going to testify after me and we've been working on this with the different departments throughout the state because there's just terrible stories about not being able to communicate. And I think we all realize-- any successful business, the key to a successful business is communication. And you're on these scenes and they can't talk to each other. So the-- we are working on that with the idea of the 3 to 1 match with the federal monies, the-- with equipment. Yes, we'd like to improve our communication and we are working on that in a separate bill.

LOWE: It sounds like we need broadband.

McDONNELL: Definitely another example.

BREWER: OK. Senator Raybould.

RAYBOULD: Thank you, Senator McDonnell, for bringing this forward. Are-- is Nebraska one of the last states to have a statewide firefighter corps?

McDONNELL: That's a, that's a good question. I would, I would have to look at that. To be fair to the other 49 states, I don't want to, I don't want to say that they're that far ahead of us or behind us. But I'll get you that, that information.

RAYBOULD: OK. And then--

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McDONNELL: Now remember, we have USAR. We have a-- we do respond on the federal level with other states. We're trying to take this to a level more for our state.

RAYBOULD: So then what happens after the fourth year of the federal grant?

McDONNELL: We reapply.

RAYBOULD: We reapply and, and--

McDONNELL: I mean, if we're being successful and this is working, at that point, we'd have to decide. And of course, we never tie the hands of future legislators. But as they go through this and this Fire Marshal say it's working or is not working, they'd have to come in front of, you know, Appropriations and go through the process of saying, we'd like to reapply and can you fund us for that?

RAYBOULD: So part of the fiscal note talks about hiring 23 more FTEs, firefighters.

McDONNELL: Full-time employees, but I-- that's part of the-- that's where things got a little confused. I don't think we need to do it that way. And that's what I'm kind of talking about, backfilling versus actually hiring those people.

RAYBOULD: OK.

McDONNELL: We would rather look at the backfill of that with people from different parts of the state ready, trained to go and doing the prescribed burns, but then responding to that emergency with those forest fires.

RAYBOULD: OK because sometimes the grants are so specific that you have to-- you can't supplant, you have to hire and make sure--

McDONNELL: Yeah, working through the, working through that grant process, we do, we do know it's a 3 to 1 and trying to say, OK, here's how our grant would work. Yeah, that's, that's something. But we think the backfill, more of the USAR model would work.

RAYBOULD: That's terrific. Well, thank you very much.

McDONNELL: All right. Additional questions for Senator McDonnell? Senator Halloran.

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HALLORAN: Thank you, Chairman Brewer. Thanks, Senator McDonnell, for bringing this bill. So the prescribed burns would supplement the mechanical elimination and not replace it altogether, I'd assume.

McDONNELL: No, no, you're right. Yeah, the-- and I'll try to get you the percent of how much we could reduce the mechanical removal with the, the burns. I'll try to get you kind of a ratio to know.

HALLORAN: OK and I suppose on the communication issue, smoke signals are impractical.

BREWER: You said that just because of me. Yeah, they would be impractical.

HALLORAN: OK.

BREWER: All right, any-- let me read in, since we're on your second bill here, same story. Because of inclement weather, there may be additional, but as of right now, we have seven proponents, no opponents, one in the neutral on LB655. Thank you. Oh, any-- all right, go ahead. We'll-- proponents. He warned us you were coming.

JERRY STILMOCK: Thank you. Chairperson Brewer, members of the committee, my name is Jerry Stilmock, J-e-r-r-y S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska State Volunteer Firefighters Association and the Nebraska Fire Chiefs Association. I'm of Syracuse, Nebraska, formerly of south Omaha. I can't do it in five minutes, but I'm going to do my best. Recent fires of 2022, April, the counties of Furnas, Red Willow, Frontier. Road 702 fire; 1,800 people evacuated. Over five towns were evacuated. State resources on hand, State Fire Marshal, State Patrol, NEMA and Nebraska National Guard. Unfortunately, there was a retired-- a volunteer fire chief, John Trumbull, that lost his life. Two-- September 2022, Banner County, 4,300 acres burned, more than 15 volunteer departments, 50 to 60 volunteer firefighters, men and women out fighting the fire, leaving their jobs, leave their homes, leaving their employment and losing income because they had to be away from work perhaps. Some employers backfill, not all do. October 2022, the Halsey fire, 15,000 acres burned. There was another length-of-duty [SIC] death by a fire-- assistant fire chief, Mike Purdy [SIC] out of Purdum. Terrible, terrible tragedies happening among the fire service. October of 2022, it was that Sunday. So, so far I've been south-central, western Nebraska. It was that Sunday, that Sunday when southeast Nebraska was on fire. Lancaster County itself sent volunteer departments out there

numbering 23. That does not include Gage County fire departments that spent the entire day in after hours, after night. There's a one specific scene that if you, if you caught it, Mr. Elder, he's a member of the volunteer department out of Beatrice. He is a professional. He teaches fire safety training out of Southeast Community College. He was in the hospital for several weeks, months and then followed up at Madonna. This is serious. These are happening by professionals. And if I may, one of the pages, please? There is a handout that I obtained from one of the fire-- volunteer fire. He's a paid fire chief out of the volunteer department of Gering. This snapshot is the '20 to 2022 fires that exceeded 500 acres in volume and just the amount of effort and the dedication that goes in. One of the questions asked thus far has-- Senator, you asked, is Nebraska the last or one of the last? It is very near the last. I don't have a specific number, but I can tell you a number of states provide their own state-funded firefighting crew, particularly through wildland fires. The-- one of the fires mentioned in the map handout-- I want to get this other person to work too, please-- one of the other pages, thank you-- is a handout from the Carter Canyon Fire. That was last year, July/August. It was multiple days. Lightning strike, three different fires and, and within a radius of four miles. Nine days of firefighting and just horrific conditions. If you count with me, the, the cover page is page one in and, and at unnumbered page 4-- I didn't, I didn't paginate these because it was handed to me. But unnumbered page 4, right above the graph, it gives you the detail of the number of apparatus that were on the scene: the state, the federal, other regional areas, other states that were called in for this 15,000-acre fire. On unnumbered page-- it's the last page, pardon me. The last page is a synopsis by incident Commander Nathan Flowers. He is a paid fire chief out of Gering, serving a volunteer department. He's also a member of the incident command team that's in existence right now that goes out and assists with incident command when these wildland fires happen. I'm just going to read a quick, brief sentence. I cannot speak enough of the valiant efforts of firefighters being able to implement their training to save many homes and outbuildings. It was a huge undertaking and these men and women answered the call without hesitation, trusting their training and leadership and their leaders. It's just a huge fire. So what's, what's, what's been happening, before 2020, in 2012, there were acres of 500,000 that burned in Nebraska. Because of that, then-Senator Al Davis, in 2013, brought the Wildfire Control Act in 2013. In that 500,000 acres of burning, there were 75 structures that were destroyed, \$12 million in firefighting that was expended in trying to-- in fighting those, those wildfires. As a result of that,

for the first time, Nebraska brought in single-engine aerial support, single engine aerial support, SEATs. And those are a tremendous item to have on hand. We also had funding for thinning the red cedars. Red cedars are the enemy in firefighters in the area. The next year, Nebraska joined the interstate compact among several other states in the region, the great Spain-- Great Plains compact consisting of six. Nebraska's all-- oh, my time has expired.

BREWER: You can go on.

JERRY STILMOCK: All right and thank you to the members and to the Chair. Nebraska also is a beneficiary of excess federal military equipment that it offered through the Forest Service through the state of Nebraska. And the shop is housed at Mead, Nebraska, through the Forest Service. The Forest Service is a part of the University of Nebraska-Lincoln. It's seated at East Campus and that's a-- another tremendous asset. Why do I share all these things? Because I-- it's so many. There's so many fingers involved, not only in volunteer fire and rescue, but also particularly in wildland fire. So at the local level-- I'm speaking quickly. It reminds me of another-- obviously I always refer to when I speak quickly. I'm not even going to say that person's name nor her gender. Oops, I just did. The-- so the light fire happens. Local fire chief is in control. The local fire chief that summons, he says, we don't-- we cannot-- we or she-- he or she cannot handle it by themselves so they call up mutual aid for the area, the region. That mutual aid is a team of volunteer fire departments that serve that area/region. When it's too much, then they ask for neighboring departments outside the regional, the regional mutual aid to come in. At that point, there are certain state levels. The WIRAT is a wildland incident response team that comes in. It doesn't supply boots on the ground, but it supplies, it supplies incident command and different assets. That, that team is made up of State Patrol, Fire Marshal, Forest Service and they're called out as a team. Whoever is closest geographically, go and serve. That model actually is used and has been used by-- for several years by the state of Nebraska in relation to hazardous materials. The old acronym used to be SERT, State Emergency Response Team. They call it something differently now, but because of the membership there, they're able to go out and respond to certain incidents that require hazardous material cleanup, not just monitoring. They're actually putting on suits and cleaning the stuff up. That would be a model that, as I understand Senator McDonnell and his comments, that would work the same way that USAR, the United States response team, that we learned we have members of Lincoln Fire and Rescue that are members of that.

They go out on natural disasters and emergency scenes. They went to Oklahoma City when the terrible bombing occurred. They've been throughout the region. They were down at-- where you were at, Senator, down in Louisiana. When volunteers go out, they, they don't get to decide where they go out that in their area. If it's in their area, they go out. They dedicate two to three days-- I'm just talking about wildland fires-- two to three days. Sometimes-- and they're able to go in shifts, sometimes they're not. Twelve hours becomes 20 hours. They don't leave the scene because there's people, there are homes and there are businesses in the line that, that could succumb to that fire. The, the model that Senator McDonnell described-- and thank you again for, for bringing this to the forefront to your committee, Senator Brewer-- is Kansas is doing this, Oklahoma is doing this. And by this I mean they're taking a supplemental team to go out and backfill with the volunteers. It's not that the volunteers say no. These volunteers are highly trained, as Senator McDonnell acknowledged, structure fire is so much differently than a wildland fire. And that's why we, we learn, we learn. You have a professional with Mr. Elders. You have 19 hotshots in Arizona that were killed in 2013. They knew what they were doing. This is dangerous stuff. My last comment, Senator Raybould particularly, is Nebraska the last one? Perhaps, but I can tell you what, Nebraska, if they're moving slowly on developing something, it's because we have a dedicated fleet of men and women that serve as volunteers. They're dedicated, they're hearty and they're energetic. They're willing to serve the communities. Senator Brewer, members, thank you for letting me go over. I'm going to stop. Thank you.

BREWER: Your knowledge is invaluable so this is not anything we shouldn't be doing, letting you talk longer. Now, one of the things I noticed on the fire at Halsey was there were teams showing up, showing up, showing up. Then they came ready to go with their equipment. What happened is we went from 10 to 20 to 30 to 40, 50 and beyond was what doesn't come with it is the logistical trail that you need to feed, water, reset their water. I mean, there's, there's such a requirement that all of a sudden, it just dumped on. Is that part of what comes with something like that is your logistics guys that help bring that together?

JERRY STILMOCK: Yes. Every scene, as you know in your military career, has an incident commander in one way or another. It's-- maybe not an incident commander, but a commander. And so that person is removed from the scene. And yes, that, that, that is a huge part of it. In the, in the county-- the fire that, that I hand out is the second

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attachment, the executive summary. They located a school a distance away. One of the things you said, Senator Brewer, so, so important. It's, like, I'm out on the fire scene. I'm not, I'm not needing to communicate. I have to communicate because my life is down there and I don't know if they're going to drop the retardant on me, retardant on me. So radio communication is huge, huge.

BREWER: Well, and to my point earlier--

JERRY STILMOCK: Sure.

BREWER: --folks would, would go to their iPhones to try and figure out their location. The problem is, in the middle of Sandhills, there's no cell coverage.

JERRY STILMOCK: 10-4.

BREWER: So, you know, it becomes sort of a-- not just a safety issue figuring out where the fire is, it was a safety issue figuring out how to get them and get them back out of there to feed and water when the time came. So we actually had to use whatever aircraft was available and the ability to communicate to that aircraft, then it had to be relayed through another vehicle that was on the same frequency and type of radio as those that were wandering around and trying to figure out, you know, where to go. And so, you know, those, those were the challenges that, you know, could have been life threatening had the fire moved faster into the Sandhills once it left the forest area. So trying to, you know, understand why the need is there. After seeing that, I think it's pretty obvious. Because essentially what you have is you have a portable package of all this knowledge/experience that can go where you need to go on in a relatively quick period. And you're not, you're not standing down capability of somewhere else because you're backfilling that. Is that kind of where we're at with this?

JERRY STILMOCK: Yes, sir.

BREWER: OK.

JERRY STILMOCK: I won't abuse your, your privilege in extending me to speak a little bit longer. But I tried to take five, six people whom I visited with in the past several days to bring it in to you today. One of the things I'd like you to consider is in Kansas, back to what Senator McDonnell and what-- in your bill coming up in another committee, radios. And when Kansas sends out, each one of those teams,

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they have a, a radio system-- I won't say, you know, ten-- that have radio capability to communicate on the state frequency so that everybody's speaking the same language. I don't speak French, but I don't want to have my life on the line if I don't know French and the airplane is speaking French.

BREWER: Well-- or else they're on UHF and you're on VHF. And so you can see them, but you can't talk to them no matter how hard you try. I mean, we literally had incidents where we'd have aircraft land and physically walk over with a message and hand it to them. And, you know, we're in a day and age we should probably be able to do better than that. Now, part of that is, is doing joint operations. And, you know, the military aircraft come with a lot of capability because you have three different-- you got fox mike-- FM, UHF, VHF. But unfortunately, they-- the fire trucks don't always have that capability. There may be a single frequency and then you have to know what that frequency is to dial it up. And so, you know, those are, those are things that having a trained, ready-to-go team would be invaluable.

JERRY STILMOCK: Yes, sir.

BREWER: OK. Other questions? All right, thank you for your testimony. Thanks for these handouts.

JERRY STILMOCK: Yes, sir. You're certainly welcome.

BREWER: Very good.

CONRAD: Yeah, very good.

BREWER: OK. We are still on proponents to LB8-- or to LB655. Proponents, come on up. Welcome to the Government Committee.

JACY SCHAFFER: Good afternoon, Chairman Brewer and members of the Government, Military and Veteran Affairs Committee. My name is Jacy Schaffer, J-a-c-y S-c-h-a-f-f-e-r, and I'm the vice president of government affairs for Nebraska Cattlemen and I'm here to testify in support for the following organizations: Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Farm Bureau, Nebraska Pork Producers, Nebraska State Dairy Association, Renewable Fuels Nebraska and Nebraska Soybean Growers. Our organizations recognize prescribed fire is a critical tool to assist farmers and ranchers in their efforts to preserve and protect our grasslands from woody encroachment, specifically eastern red cedar trees. Landowners across

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our state have demonstrated that prescribed burning can be completed safely, but this bill would allow for more assistance with those burns. This past fire season, we've seen wildfires increase across the state due to our severe drought and we see the value in establishing two statewide firefighting crews with expertise to support and assist rural communities and rural fire departments with prescribed burns, but also with wildfires. Thank you, Senator McDonnell, for your support of landowners in their battle with woody encroachment in our grasslands and our organizations support LB655 and ask the committee to advance this bill. Thank you and I'm happy to answer any questions.

BREWER: Thank you. And you incorporated a lot of folks here. All right, any questions? Questions? All right, thank you. OK, any additional proponents for LB655, come on up. Welcome to the Government Committee.

TIM HRUZA: Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Tim Hruza. Last name is spelled H-r-u-z-a, appearing today on behalf of the Nature Conservancy. You've got the third-string quarterback playing here today. We had an expert who was absolutely prepared to come talk with you and is snowed in today, but I appreciate your patience. I don't have a lot to add that the other testifiers really haven't done, except that from the Nature Conservancy's standpoint, we own and manage about 66,000 acres of land across the state of Nebraska for conservancy purposes, but as well as for managing herds and active ranch land too. You heard Senator McDonnell explain last year's wildfires. And Mr. Stilmock discussed a number of them this last fall as well. Ten years ago, 2012, was the record-breaking year with over half a million acres that burned then. Heading into this year, we're seeing drought conditions that could lead into, you know, worse situations heading into next year or similar situations to what we've seen. And with that, we do-- we believe this is a critical thing for the state of Nebraska to take advantage of, to draw down those federal funds to continue to-- I mean, prescribed burning of red cedars and other-- or land is, is good husbandry practices. It's also necessary to conserve and manage the land that we have in the state. So outside of that, I would just add our voice to the voices you've heard today in support of this bill. We thank Senator McDonnell for bringing it and I'm happy to answer any questions that you might have.

BREWER: All right. Thank you, Tim. Let's see if we have questions. All right--

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TIM HRUZA: Thank you.

BREWER: --thanks for your testimony. Any additional proponents to LB655? Anybody here in opposition to LB655. Welcome to the Government Committee.

DOUG HOHBEIN: Thank you. It seems a little strange to see me in opposition, I'm sure, but hopefully I can clarify that a bit for you.

BREWER: All right. Thank you.

DOUG HOHBEIN: OK. Good afternoon, Chairperson Brewer and members of the Government, Military, Veterans Affairs Committee. My name is Doug Hohbein, D-o-u-g H-o-h-b-e-i-n. I'm the interim State Fire Marshal. I'm here to testify in opposition to LB655. LB655, will appropriate \$1.125 million from the General Fund in both fiscal year '23-24 and '24-25 for the State Fire Marshal Agency to provide state match and partner with the Nebraska Forest Service on a community wildfire defense grant. The bill would require the establishment of two statewide firefighting crews having technical expertise to work wildland fires and support local fire departments in prescribed burning to control the spread of eastern red cedar trees. The State Fire Marshal Agency, referred to as NSFM, has staff members who participate in both the wildland Incident response and assistance team, referred to as WIRAT, and the type 3 incident management team, referred to as Type 3 Team. The WIRAT team is comprised of members of the SFM and the Nebraska Forest Service. The Type 3 team is comprised of members of the SFM, Nebraska Emergency Management Agency, Nebraska Forest Service, county emergency managers and local firefighters. Both teams are designed to supplement local resources by serving in advisory or incident management capacities. The SFM also has a training division, which upon request, provides training classes, including wildland response training to local first responders. The establishment of two statewide firefighting crews within the SFM will be a large expansion of the role of the agency within state government. The SFM currently has no personnel devoted to fire suppression activities, as this is outside the duties listed for the agency in Nebraska Revised Statute 81-502. The addition of two firefighting teams would mean the creation of a new division within the agency, the addition of 23 new positions and require the purchase of specialized firefighting equipment, including fire trucks. The SFM is aware of the variety and complexity of fire suppression needs throughout the state. Due to the complexity and individual nature of these incidents, local authorities are best positioned to manage

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response and suppression activities. The SFM will continue to be an active partner in the fire suppression and-- community by continuing to assist with training, fire prevention, code enforcement and serve in advisory capacities to local fire departments rather than expanding state government into new areas. Thank you for your time and attention. I'll be happy to address any questions you might have.

BREWER: All right, so now that can have a chat-- don't have you under the clock [INAUDIBLE], let's kind of go back through why you think it's a bad idea to do this. In practical terms, like, just day-to-day reality, why would this be a bad idea?

DOUG HOHBEIN: I don't know that it's so much a bad idea. And I think Senator McDonnell has got an idea that, that can work. I think as written right now, it expands us beyond our scope of what we do now. We don't have any fire suppression activities currently that-- what we do. We do fire, fire code enforcement, plan review, training, fire investigations. That's basically what we're, we're statutorily involved in doing. It basically would expand state government and our operations and it's, it's contrary basically to the Governor's policy at this point.

BREWER: When we go out to Grand Island in the spring for fire training, you know, who coordinates and sets up all that training?

DOUG HOHBEIN: It's the-- Mr. Stilmock's group, the Nebraska Volunteer Firefighters Association, and we're involved heavily with that as well. I have several members that have been there for many years that provide training and assistance.

BREWER: Yeah, well, I know-- I was a volunteer firefighter for, for 15 years and that was really kind of a required thing in the spring because in the small departments, you don't get a lot of hands-on, especially with new gear. And what you figure out real quick is the reason farmers grow beards is so they don't have to wear air packs. So if you're someone who shaves, you need to get really good at that particular task. All right, so what we're talking about here is we're getting out of the scope of where, right now, the statute says your left and right limit is and that kind of takes you more from an advisor role into more of a active role of being physically involved with equipment and the fire and, and--

DOUG HOHBEIN: Exactly. Yes, I would agree with that.

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BREWER: All right, just making sure I'm on the same sheet music here. All right, questions? Senator Lowe.

LOWE: Thank you. What would be your suggestion then to coming up with an answer for helping fight these large fires?

DOUG HOHBEIN: Well, I don't-- this bill by itself-- I think as written, we just have the difficulty with, with how large and what it does to expand. I think it can be changed, maybe amended in different ways that we could work with Senator McDonnell to make it work. I think some ideas that he brought up that--when he was here introducing the bill are a little different than how we interpreted it as written. We're seeing it as 23 full, you know, full-time positions and I'm not necessarily sure that's what he intends. So if it does change, it's something we could work with him on that. There are ways to address it. And then we, we would work with our partners to see that we could do and help however we can.

BREWER: Well and figure it out is it-- if there's anybody in this body that you could work with, it's Mike McDonnell.

DOUG HOHBEIN: Yeah.

BREWER: He's flexible; not physically, but mentally. All right, other questions? Yes, Senator Raybould.

RAYBOULD: I just wanted to follow up on Senator Lowe's question. So as-- the way you read it, it would require us to do an additional statutory change to, to your division or your agency, is that correct?

DOUG HOHBEIN: Well, I think as written, it does make that change.

RAYBOULD: OK.

DOUG HOHBEIN: It requires us to, to add those staff, two full firefighting crews.

RAYBOULD: All right. Thank you.

BREWER: OK. Additional questions? Left, right. All right, thank you, sir.

DOUG HOHBEIN: All right, thank you.

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BREWER: OK. Any additional opponents? Anybody here in the neutral? Senator McDonnell, come on back. All right and just as a reminder, read in seven proponents, no opponents, one of the neutral and we got bad weather so we may get some more.

McDONNELL: Thank you, Chairperson Brewer and members of the committee. To be fair to the Interim Fire Marshal, as I said in my opening, he was not part of this. He wasn't a part of this discussion because he wasn't going to be the Fire Marshal. It was Shane Hunter. And having a discussion with him since, the idea of-- he's correct on-- in the way that the bill comes back from Fiscal versus the idea of backfilling and that concept. And I'll, I'll continue to definitely work with him and his staff and then, of course, the next Fire Marshal. So, you know, we want to, we want to prepare for the worst possible emergency and pray it never happens. I think what we're lacking is that we're-- there's different ways to prepare and don't be too proud to steal good ideas as-- again, back to Shane Hunter in the ideas and things he was bringing from California and his experiences and around the country. We're just trying to put ourselves in the best position to stop the next fire. And therefore, if we don't stop it, to be able to respond as quickly and effectively, efficiently as we possibly can to try to stop a tragedy. And how we get there, you know, of course, there's different ideas. And I think that some of the questions with what other states are doing and where we are, again, I think that we know what's going to happen not, not if, but when. And how are we going to be able to respond in a-- and improve our performance?

BREWER: All right, thank you. Again, I want to draw out an idea here. Just, just let me throw the idea out before I lose it. I'm getting older, I lose s***. And so what happened that it looked like it would have been helpful there is-- and I'm taking the fire out in Halsey, but I think it probably applies all over, is a first to arrive, sometimes there's kind of this space of confusion when you're trying to figure out who all is there and where they are, how you get more water or, or how you get notification to someone if you need an ambulance. Because part of that problem is a lot of these areas that are this remote are down to one ambulance crew and only if the right people show up when the whistle goes off, do you even have someone to man them. And then communications becomes a challenge too. If, if this was to develop-- and say you did baby steps, say you got a handful of folks and then if there was a need for more, you build on that. Having a mobile training team that, that, you know, could go out in some of these places that can't get to Grand Island to the big fire school and say, hey, here's, here's some ideas on how-- this is a checklist and

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if this is happening, this is how you would contact Nebraska State Patrol. Here is how-- if you need emergency services, say, for ambulance or State Patrol, whatever, you have kind of a checklist of things. And, and that would, I think, kind of help in the rural areas where their probability of fire is pretty high just because of the remoteness and the fact they got a lot of stuff that burns, but they don't have a lot of people. So I just throw that out as an idea is a mobile training team that could go in and help them, I think, might help fill that void that they're-- now, Senator Raybould, I'm sorry.

McDONNELL: And you are correct about the incident command. You are correct about the communication. And, you know, we only perform as well as we practice and, and that's, that's part of it. But that-- definitely that instant command system and that communication is vital.

BREWER: Right because when they, they took over the fairgrounds in Thedford and getting the, the banks set up to recharge their handheld radios to, to get water available-- you know, bottled water for them to go. I mean, all this stuff had to happen. It had to happen really fast because these vehicles were coming back, needing fuel, needing water and all this happens almost instantaneously. And you're thinking, man, we should have had-- instead of 100 firefighters in-- first, we should have had 100 support guys here for us, then the 100 firefighters because otherwise, the tail is chasing the dog on this whole thing. Senator Raybould, I'm sorry.

RAYBOULD: So-- thank you, Senator, again. So it does seem like it's, it's 23 new positions, but it doesn't-- I'm just trying to figure out how to mirror up the differences in interpretation between the two of you. Could be this elite squad that is from existing to be trained and have-- it, it does include additional radios and, and additional trucks, fire trucks, different fire trucks to fight it. So I guess I'm not sure since I'm new, how, how are we supposed to reconcile all of this? What are our next steps?

McDONNELL: So going back to again, what happened with having Shane as the Fire Marshal and then he's gone. And then having the bill drafted and then the fiscal note, I would rather look at-- and again, the federal money, so you're looking at 3 to 1 for a state dollar, three for every federal dollar. And there's, of course, parameters through that grant process. But I would rather look at-- and from day one, the discussions we were having, Shane Hunter and myself and others, was the idea of the backfill. And when that fiscal note came out and the

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discussions-- and again, when you look at the, the way the bill is written, you can understand how that happened. But that fiscal note is not accurate.

RAYBOULD: And I guess the only thing that I, I-- that gets triggered in my mind because we've done a lot of these on the city council for firefighters and for law enforcement officials, that we can't supplant and, like, pull different people. They, they have to be two-- 23 new additionals. So I don't know if that needs to, to get verified.

McDONNELL: I missed your question. What do you mean, couldn't supplant? You guys, you guys were part of the, of the USAR. You guys were part of-- you would send somebody from an engine company in Lincoln-- and matter of fact, it's homed-- it's home-based in Lincoln. Then you guys would actually backfill with other people that are on there off duty and that person would go to Maryland to Kentucky to--

RAYBOULD: Right, right and from Task Force 1. It's been all over so I'm, I'm familiar with that. No, I'm talking about the grant itself. Some of the restrictions--

McDONNELL: OK.

RAYBOULD: --and requirements in the grant might specifically require us to, to hire 23 new individuals in order to qualify for that terrific--

McDONNELL: And it might not--

RAYBOULD: --really good match.

McDONNELL: --if you, if you read it correctly, but yeah, that's something we'll talk about.

RAYBOULD: OK.

BREWER: OK. Additional questions for Senator McDonnell? All right, so we're kind of-- oh, I'm sorry. Senator Lowe.

LOWE: Thank you, Chairman Brewer and Senator McDonnell. The-- it still sounds like communications may be a problem because you've already got these fire crews out there, the, the guys in the pickups with the tanks in the back or whatever you've got out there, the guys with the shovels and this crew comes in. How do they communicate with those guys? Because they don't have the same communication.

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McDONNELL: There, there is no doubt communication is one of the first things we had to fix. That is, that is the-- it could be all of us on the scene and if we're not able to communicate with each other, we're not going to be as effective and efficient. And it just makes a dangerous situation more dangerous. I mean, it doesn't make it, you know, safer. Through communication and training and the right people in the right spot, you can take a dangerous situation and make it less dangerous. It's always going to be dangerous. But oh, you-- there's no doubt and we're trying to address the communications because it's happening throughout the state right now as we speak, that the communications isn't where it should be, the ability to communicate.

LOWE: It's happening in the Legislature floor.

BREWER: And there's a bill to fix that.

McDONNELL: Yes. Yes, sir.

BREWER: Who has that bill?

McDONNELL: Currently, you do.

BREWER: I do. It was a test question. You failed. OK, additional questions for Senator McDonnell? Senator Lowe.

LOWE: Is there-- what do we do now? I mean, is there some sort of agreement that, hey, when, when a large fire comes up, let's all meet on Channel 12 or whatever?

McDONNELL: So there is the mutual aid system. There is the incident command. There is-- one thing I can say is that the effort and the dedication of the volunteer and the paid firefighters throughout the state and others is top of the line. They are willing to put themselves in harm's way and at a moment's notice, knowing that they don't have the best communication, knowing they don't have the best equipment. And I think we, as a responsibility as state senators, we owe them the-- to try to help them mitigate that, that emergency, but do it in the safest possible way that they can. And right now, they basically do the best they can with what we give them.

LOWE: And who's bill will fix that?

McDONNELL: Senator Brewer from the class of '97.

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BREWER: Nice comeback. John, just to let you know that-- what-- if it, if it's fairly pure volunteer firefighters, because of mutual aid, they're, they're pretty well able to communicate. What happens, especially at Halsey, is because federal was involved, all of a sudden, teams out of Colorado, teams out of South Dakota started showing up. Well, even the airspace become an issue because obviously there's not much of a tower at Thedford international and, and so you may have several helicopters that are in the air flying. You have fixed wing assets coming in, some fairly large. You still have leftover private jets that are at the Sandhills golf course and local stuff, all trying to work into that airspace. And just like an accident on the interstate, everybody wants to go and rubberneck. So if you've got a plane, you want to go see what's going on. So there is where we, we were unable to talk to some of the folks that we really need to talk to, but we have a plan to fix that. All right, additional questions for Senator McDonnell? All right. Thank you for your testimony.

McDONNELL: Thank you

BREWER: And just to-- what we'll do then is talk about how we're going to refine things and then take a relook at that amendment.

McDONNELL: Yes, definitely.

BREWER: Cool.

McDONNELL: Thank you.

BREWER: OK. We'll reset for the next bill. The next bill will be LB297. Senator Sanders, welcome to your Government Committee.

SANDERS: Thank you, Chairman Brewer, committee members. For the record, my name is Rita Sanders, R-i-t-a S-a-n-d-e-r-s, and I represent District 45, which includes much of Bellevue-Offutt community in eastern Sarpy County. Today, I'm introducing LB297, the Personal Privacy Protection Act, brought to me by People United for Privacy. And I want to thank Senator Conrad for cosponsoring this bill. In summary, LB297 would prohibit state and local governments from requiring or releasing personal information from nonprofit organizations, specifically 501(c) organizations. I introduced a similar bill in 2021 as LB370. It was heard in front of a different committee and it remained there. Since then, we have had multiple discussions with stakeholders. I want to thank all the people we've

worked with for their time. In the 1950s, Alabama wanted to force the National Association for the Advancement of Colored People, or the NAACP, to disclose all their membership in the state. The association refused and the Supreme Court held in 1958 that public disclosure was an infringement on the right for free association. More recently, California tried to require all charitable organizations to disclose the names and addresses of their major donors. In 2010, one organization said no. The Supreme Court then ruled in *AFFP v. Bonta* that California had violated the First Amendment rights of the organization's donors. Those holdings are the core of LB297. The latter ruling took place just a few months after I introduced LB370. Why is this right so important? It's simple. Activists want to see private information through nonprofits in order to target individuals for their personal beliefs. Nonprofit organizations serve a vital role in encouraging a free exchange of ideas. Some Nebraskans prefer privacy of their donations or support because they fear reprisal from friends, employees, coworkers or even the government. We have two testifiers. We have testifiers who will share examples of this today. This is a nationwide push for laws that mandate disclosure of personal information from supporters and donors of nonprofits. Since 2014, over 275 forced donor bills have been introduced in the state legislature across the country, including Nebraska. We have testifiers from Alliance Defending Freedom who can expand on that idea. You may ask why this bill is needed if the Supreme Court has already ruled on this issue. First, the right should be codified to protect against any future precedent change. Second, codifying the policy would be more effective for real impact than relying on the federal court system. As an add-on-- added benefit, this communicates this policy change to Nebraska state agencies. Finally, it spells out the mechanisms of Supreme Court ruling, much like the legislature passes bills in response to successful ballot initiatives. There are supporters of LB297 from all sides of the political arena. Like Senator Conrad and I, support organizations that Senator-- I may support organizations that Senator Conrad doesn't and in the same may be true the other way around. But we both believe in protecting everyone's right and freedom of speech, specifically by supporting nonprofit organizations privately and without harassment. This is something we can all agree on. Besides, if those names were made public, what would be the benefit? I can think of no better way to increase the divisiveness and hostility in our country right now. Such a policy would also have a chilling effect on charitable giving. I want to clarify something before I close. This bill does not affect campaign finance one bit. It is specifically exempt on page 3, lines 22 through 23. I think we will

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hear from some new supporters in addition to last year's supporters, which includes the Family Alliance, the American Civil Liberties Union and the Nonprofit Association of the Midlands. I am also bringing forward AM428 for your consideration. The amendment is the result of discussions with the university, the Auditor's Office and Health and Human Services. It is a technical in nature. This amendment does not change the intent or purpose, but it clarifies it in order for those-- now my scribble-- to carry out, to carry out their responsibilities. We're in continuing discussions with other stakeholders to make sure the proper role of government is respected. I'm happy to answer any questions you may have. However, I know I have great testifiers lined up after me. Thank you.

BREWER: All right, thank you for that opening. Let's see if we got some questions here before we let you go. Senator Halloran.

HALLORAN: Thank you, Mr. Chairman. Senator, did you say you had an amendment?

SANDERS: Yes.

BREWER: We got one.

CONRAD: Did you get one, Senator Halloran?

SANDERS: Maybe--

HALLORAN: I'll steal Senator Hunt's.

SANDERS: All right.

HALLORAN: Thank you.

BREWER: All right, we will begin with proponents to LB297. Come on up. Welcome to the Government Committee.

NATE GRASZ: Thank you. Good afternoon, Chairman Brewer and members of the committee. My name is Nate Grasz, N-a-t-e G-r-a-s-z. I'm the policy director for Nebraska Family Alliance and I'm testifying in support of LB297 on their behalf. We support the Personal Privacy Protection Act because we believe that all Americans should be free to peacefully support, contribute to and associate with causes and organizations they believe in without fear of harassment or intimidation. Private giving stands as one of the most enduring traditions and practices in American society. Many nonprofits have

benefited from private gifts, both big and small, which fueled countless acts of charity and service to the betterment of our communities. However, the undermining of donor privacy stands to impose a chilling effect on the freedom to contribute to and associate with nonprofit organizations and causes and even threatens the physical safety of individual citizens. In today's polarized culture and political climate, it is not hard to imagine the harm that can be done by private donor information being released to the public. Government officials may use confidential donor information to target those with different or disfavored views by those in political power as they did during the civil rights era. Activists will attempt to bully or punish those who support their ideological opponents and in some cases may even lead to acts of violence. Unfortunately, this is not something we have to imagine. It's real to us even here in Nebraska, as specific individual donors to our organization have been on the receiving end of harassment, intimidation and threats of violence due to their support. Several of our donors have been targeted, harassed and threatened at their homes and private businesses. Derogatory signs have been put at their places of residence and employment, endangering their and their employees' sense of safety and leading to law enforcement intervention. And when your partner organizations and other states have been firebombed and physically assaulted, you take those things seriously. But it's not just those individuals I'm speaking for today. I also think about the elderly widow who lives in western Nebraska that on occasion will send us a handwritten note with a \$5 bill, letting us know that she's on a fixed budget and money is tight, but she went without strawberries from the grocery store that week so she could send us a donation because it's that important to her. Everyone deserves a voice and to have their personal information protected, not just those who are able to withstand abuse. LB297 supports diversity of thought and preserve the rights of all Nebraskans to humbly seek the common good and live quiet, faithful and peaceful lives. I would like to thank Senator Sanders for bringing this bill and Senator Conrad for cosponsoring and encourage the committee to advance LB297 to General File. Thank you.

BREWER: All right, thank you, Nate. Let's see if we have some questions for you. Questions for Nate? Senator Raybould.

RAYBOULD: Thank you very much for your testimony today. Help me understand, don't nonprofits have a fiduciary responsibility to currently safeguard this information? Or help me understand how your donor list information could get out there.

NATE GRASZ: Yeah, thank you for the question, Senator. I think that's a good question. So-- right, so the bill is specific to state and local governing agencies. And I think Senator Sanders gave some, some good examples. And, you know, to be clear, there, there are certain, you know, requirements as a 501(c)(3) in your tax filings or accountability and disclosure. There are things that nonprofits have to disclose that could be made public that way and this bill doesn't, doesn't change that. But what it's doing is being proactive in ensuring that when it comes to state and local governments, that they aren't unnecessarily trying to force or coerce certain nonprofit organizations to have to disclose that information, as has happened in other states. And so we think that's an important thing for, for all Nebraskans. That we're ensuring in state law that, you know, regardless of who's in, you know, political power at any given moment, that, that any organization or any supporter to that organization isn't at risk of having their rights be infringed on or their personal information released. So I think it's, as Senator Sanders talked about, sort of, you know, codifying what we've seen from the Supreme Court and making sure that it-- we're giving clear direction to state and local government agencies. And that it doesn't become a bigger problem in Nebraska going forward.

RAYBOULD: Thank you. I am concerned, though, that-- of the harassment that donors have received and I just was-- I'm trying to understand how something like that could happen. Was it, like, a release from a state agency that shared in maybe one of the filings, but-- or--

NATE GRASZ: And the example--

RAYBOULD: Yeah, I'm just trying to figure out, like, what steps have you taken to make sure that that never happens again?

NATE GRASZ: Yeah, absolutely. So, you know, in some of the instances that we've experienced, I think there could be various reasons and causes for that that this bill doesn't-- I think that we'll sort of always, you know, have those potential for those circumstances again, just based on, you know, information that does have to be disclosed with the IRS or with Accountability and Disclosure or even just, you know, if someone chooses to publicly state or post on social media that, you know, they supported this organization or this cause and then people retaliate. And so those are things you can't necessarily always account for. But what we can make sure is that, you know, again, if we have a government actor or a state agency who's seeking to use, you know, their authority or political power, you know,

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against maybe an ideological, ideological or political opponent, that it's clear in state statute that that would be unlawful and out of bounds.

RAYBOULD: OK. Thank you. Because I know with the Nebraska Accountability and Disclosure Act, you know, contributors are always listed up to a certain--.

NATE GRASZ: Um-hum.

RAYBOULD: Yeah. OK.

NATE GRASZ: Yeah.

RAYBOULD: Thank you very much.

NATE GRASZ: Yep, thank you.

BREWER: OK, Senator Conrad.

CONRAD: Thank you, Chairman Brewer. Thank you, Mr. Grasz. Just to follow up on Senator Raybould's question, has-- I don't want to put words in your mouth by any means, but I was, you know, also listening very intently to your opening there. And I think it would definitely concern all of us across the state and across the political spectrum to know that people are being harassed for their beliefs, right? And, you know, really trying to think through the important First Amendment implications here for the right to speak freely, the right to associate, right, that we enjoy as Americans that-- and trying to, you know, think about how those are really at the heart of this measure. So the way I took your comments and your supportive testimony were more as examples, I guess, about how discrimination or harassment can occur just in general surrounding some of these issues. But that they weren't necessarily issues that popped up because of this law or a lack of this law, but it was more or less, say you, I don't know, put up a thank you list for your annual donors or something like that. And somebody combed through the list and then started saying, like, Hey, Mr. Smith, why did you give to the Nebraska Family Alliance? Is that kind of the example you were trying to kind of share about how the harassment works today, maybe as an example of why the measure is needed, but not necessarily, you know, due to the fact that we don't have this legal structure in place right now? Just wanted to give you a chance to clarify that--

NATE GRASZ: Yeah.

CONRAD: I may have made it more muddy.

NATE GRASZ: No, no, no, not at all. Thank you, Senator Conrad.

CONRAD: Yeah.

NATE GRASZ: I appreciate that. Right, I think that's correct. That's fair to say. And I think what, what we want to help demonstrate is, you know, examples that we have experienced already of the types of things that can happen when someone's personal, private information is released or made public and the types of things it can lead to. And so I think this bill helps safeguard against that from happening in other ways because we see what can happen already with information that can be made publicly available. And so we think this is, again, a good thing for the reasons you talked about, to help protect the First Amendment rights of all Nebraskans, regardless of, you know, maybe which side of the political aisle that, that they fall on.

CONRAD: Right. Yeah, right. Exactly. Thank you. And I think to, to Senator Raybould's question. I mean, I know we all have a host of different nonprofits that we support in our communities or in our, our personal capacities that do all different kinds of work in the community. And I'm sure that Anne we'll have some more ideas to talk about the diversity of nonprofits in Nebraska when, when she pops that. But, you know, if you could just help the committee maybe understand a little bit-- and if there's another person coming behind, that's OK too-- you know, about the existing kind of duties that nonprofits have. I know, having worked for nonprofits over the years and led one as well, you know, sometimes individual donors will express an, an, an-- a preference to be listed anonymously or without attribution when they're making donations to support your work. Now, you can, of course, honor their preferences in your annual report or on your website or something like that, but you still have to report some of those, particularly over a certain threshold, to the IRS or to the AG's Office and some of those kinds of things. So nothing in this measure, the way I read it today, changes those existing kind of oversight or accountability measures that ensures that individuals aren't being ripped off, so to speak, right? The Attorney General has jurisdiction to say, yep, nonprofits are pursuing their charitable mission. They're not fleecing consumers, right, under their consumer protection kind of thing. Same for the IRS. So can you just help us get a little bit of better understanding about how some of those existing kind of safeguards or structures work and then, you know, what changes or doesn't change maybe with that measure? Is that--

NATE GRASZ: Yeah.

CONRAD: ---you understand where I'm headed?

NATE GRASZ: Yeah--

CONRAD: OK.

NATE GRASZ: --I think so. And I think more people can, can speak to that as well.

CONRAD: OK.

NATE GRASZ: But again, I think, you know, the-- an important point that you're making, again, that's important for this bill is there are many requirements, again, through, you know, tax reporting to the IRS to be able to get a certificate as a 501 nonprofit organization, to maintain that reporting to Accountability and Disclosure.

CONRAD: Yep.

NATE GRASZ: Those things remain unchanged. And we, we think that that's a good thing, because certainly as, you know, a nonprofit organization, when people, you know, are choosing to give their own hard-earned money to your organization, you take that seriously and, and the state should also take that seriously. But what we want to make sure is that state and local governments aren't improperly disclosing donor information that, that doesn't need to be or that can be used in harmful ways.

CONRAD: Got it. Thank you very much.

NATE GRASZ: Yeah, thank you.

BREWER: All right, additional questions for Nate? All right, thank you for your testimony.

NATE GRASZ: Thanks, Senators.

BREWER: OK, we are still on proponents to LB297. We just had one walk in. You giving her an IOU?

SPIKE EICKHOLT: Well, I have to fill it out, yeah.

HALLORAN: This is Spike, Spike's first time.

SPIKE EICKHOLT: Yeah, it's my first time doing this.

BREWER: We kind of know him so I think he's all right. All right, whenever you're ready.

SPIKE EICKHOLT: Thank you. Good afternoon, Chair Brewer, members of the committee. My name is Spike Eickholt, S-p-i-k-e, last name is E-i-c-k-h-o-l-t. I'm appearing on behalf of the ACLU in Nebraska in support of LB297 and we want to thank Senator Sanders for introducing the bill. You've got to copy my testimony. And I'm sorry, I was in another committee so I didn't hear the introduction, but this bill was introduced before so I think I have an idea of at least what you've heard already. But we do support LB297 because it is an important bill that protects and advances First Amendment rights. The First Amendment includes not just the individual right to sort of speak and petition the government, but it also includes the right to associate for expressive purposes. And included in this right of collective expression is the right to the associational privacy that goes with that. And this freedom is fundamental to our democracy in that it allows for governments-- or allows for organizations to be free from government intrusions. The scope of this right was most clearly recognized by the United States Supreme Court in NAACP v. Alabama in 1958. And Alabama, along with a number of other southern states, had laws that were sort of-- impose arbitrary requirements for various out-of-state corporations and out-of-state entities. The enforcement was done by the different attorney generals in the states and the intent was basically to sort of harass and identify the members of NAACP and other organizations. Eventually, the U.S. Supreme Court determined that the privacy of the group association is indispensable to preserving the freedom of association and public disclosures of the names of the different donors, the different members of those groups would expose those members and those people to harassment and targeting not just by government, but by other officials. Following that 1958 U.S. Supreme Court case, the Supreme Court expanded on this right. And I, I sort of had those cases bulleted in the second page of my materials. I don't need to go over all those with you. But generally stated, the current standard is that laws that compel nonprofits to publicly disclose the identity of their donors without a substantial nexus to a sufficiently important government interest violates the First Amendment. Government may compel to public disclosures of different information that is substantially related to government interests. For instance, campaign contributions, different reporting requirements that we have under our current statutes under the Accountability and Disclosure Act and what's contained in pages 3

and 4 of her bill, where she-- Senator Sanders has exempted those. That does fit the rubric and what the court has approved. But this bill is an important bill because it does provide for a preemptive and assurance of protection for organizations and their members and people who do support different organizations. You've got my testimony so you can read it. I'll answer any questions if anyone has any.

BREWER: All right, thanks, Spike. Let's see if we don't have some questions for you. Questions, questions? All right, you still owe paperwork? Oh, I'm sorry, Senator Conrad.

CONRAD: Thank you. Good to see you, Mr. Eikholt. And I know you're running back and forth between hearings and I won't hold you long, but, you know, I was just hoping that, you know, maybe you could help us tease out just a little bit more on-- and I think you've delineated some in your testimony here. But, you know, really at the core of this measure is really a First Amendment protection or to strengthen existing First Amendment protections against perhaps further future abuse by state officials. And at the heart, I see it as really the right to associate with your fellow citizens, with your neighbors in support of causes that you believe in and free from government interference in that regard. But can you tell us just a little bit more-- if you happen to know off the top of your head and if not, I don't want to put you on the spot and we can follow up with other folks. But have there been some more recent efforts from the cases that you cited during the civil rights era about activist attorney generals in different states maybe utilizing the heavy hand of government to thwart the right to associate?

SPIKE EICKHOLT: Yes. I mean, in the '50s and '60s targeted groups, if you will, were the civil rights groups. In the late, maybe 2000s-- I guess I won't, I won't even call it teens or whatever-- I know that then Attorney General Kamala Harris, when she was in California, went after a number of organizations. I think Americans for Prosperity, maybe another similar organization that might be considered right at center for their involvement, if you will, for-- in influencing public policy. So, I mean, the pendulum sort of switches back and forth. And it probably varies from state to state too. You know, California and I think there is a case out of Oregon or Washington that was similar as well. Those are sort of progressive prosecutors, if you will, or progressive government agents. You know, and I don't know in-- here in this state, you know, we can sort of imagine what the groups that might be targeted in this state, just those people who are in power. If, if there was a local law or a state law that would be proposed

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that would somehow provide for authorities to learn identification information of donors and members of different organizations.

CONRAD: Yeah. Thank you. I appreciate that and understand that. And that's exactly, you know, some of the feedback that I've received. Like, oh, Senator Conrad, why are you working on this measure, you know? And, and I'll tell you very clearly it's because I'm candidly very concerned with the activist Attorney General in the state of Nebraska and how he may weaponize the powers of his office to target supporters of Planned Parenthood, of the ACLU, of abortion access funds and otherwise. And I, I, I wish that threat were academic. I don't think it is based on the experience in our sister states, whether it's the attorney general in New York targeting the NRA or the attorney generals in California targeting right-of-center groups that they disagree with. So I wish we weren't at this point in time, but, but I think that we are. And I think, you know, as a lot of critical issues continue to pop up in Nebraska and the importance of the charitable work for these different organizations perhaps becomes heightened, more Nebraskans will want that protection with their right to associate.

SPIKE EICKHOLT: That's right. I couldn't agree more.

CONRAD: Appreciate it.

BREWER: All right, any additional questions? Spike, thanks for swinging in.

SPIKE EICKHOLT: Yeah.

BREWER: You still owe us paperwork?

SANDERS: Yeah, I'll fill it out right now.

BREWER: Pay up before you leave.

CONRAD: You could just write "Spike."

BREWER: Oh, did you have more questions?

CONRAD: No.

BREWER: Oh, good.

CONRAD: I was just joking around about Spike.

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BREWER: All right. You are a proponent for LB297. Good. Welcome to the Government Committee.

ZACK PRUITT: Good afternoon, Chairman Brewer, members of the Government, Military and Veterans Affairs Committee. My name is Zack Pruitt, spelled Z-a-c-k P-r-u-i-t-t. I serve as senior counsel for Alliance Defending Freedom, a nonprofit legal advocacy organization dedicated to protecting constitutional freedoms such as religious liberty and freedom of speech. I'm here to testify in favor of LB297. Before I go any further, I'd like to thank Senator Sanders for introducing the bill and Senator Conrad for being a cosponsor. And I'd like to pick up where the gentleman from the ACLU left off in the case that was referenced, *AFPF v. Bonta*. ADF was co-counsel in that case and one of our clients was the other client, along with Americans for Prosperity. It was called the Thomas More Law Center. And what happened in that case, to kind of maybe fill in some blanks, is that then Attorney General Harris of California started requiring nonprofits to include Schedule B of IRS Form 990 as part of their annual registration and renewal process. Now, Schedule B contains the names and addresses of donors that have contributed more than \$5,000 in a tax year. Under threat of losing their charitable status two charities, *AFPF* and the Thomas More Law Center sued. They both faced substantial reprisals and threats due to some leaking that the attorney general's office had done, which had resulted in death threats and other things to those organizations. Ultimately, the case finds its way to the Supreme Court in 2021 so it's fairly-- recently new. And there's a couple of key takeaways that I'd like to offer you from that case. First is that the court reaffirmed the holding in *NAACP v. Alabama* that freedom of association is a fundamental right that's implicit within the freedoms of speech and assembly within the First Amendment. And here's what the court said specifically and why it is so important. Quote, protected association furthers a wide variety of political, social, economic, educational, religious and cultural ends and is especially important in preserving political and cultural diversity and shielding expression from suppression by the majority. Again, hearkening back to the *NAACP* era when the majority was suppressing the minority. Also quoting the *NAACP* case itself, I quote, disclosure of affiliation with groups engaged in advocacy may constitute an effective restraint on freedom of association. The key point there is there's-- the court is showing that there's an inverse relationship between disclosure and freedom of association; when one increases, the other decreases. The other key takeaway that I'd like to bring out from that case and from this bill to bring it back to the

bill itself is the bipartisan nature of the issue. Very rarely is something-- a large issue like this so widely bipartisan. In the Supreme Court case that we argued in 2021, there were nearly 300 organizations that filed amicus briefs in support of our clients. These spanned an ideological spectrum so unusual that even the justices, in oral arguments and in the Opinion, noted how unusual it was. Alongside ADF and the Americans for Prosperity, you had, as we just heard, the ACLU, the Human Rights Campaign and NAACP, Council on American Islamic Affairs, PBS, PETA, hundreds of non or apolitical organizations like ballet companies and theater guilds. The point being is that privacy for donations and association is very important. So not only was the, the SCOTUS case itself in a bipartisan fashion, this legislation has been widely bipartisan as well. It's passed in 14 states, with most of the significant bipartisan votes signed by both Republican and Democratic governors, including neighbors Kansas, Iowa, Missouri and South Dakota. And there's a reason for that. And its associational privacy protects everyone, from those that are political to those that are completely apolitical. And they just want to assure their donors in their name and personal information will stay private and that they can remain anonymous. Anonymous giving and speech is a hallmark of American civil society since our founding and a critical part of our First Amendment exercise. The court's holding in AFPPF was good and reinforced-- reaffirmed, rather, many important precedents, especially the freedom of association coming out of NAACP v. Alabama. But that case alone does not provide affirmative protections for individuals and nonprofit organizations. An additional layer of protection for the freedom of association in Nebraska law will encourage more civic involvement and participation from people of all walks of life, especially with those that have different politics, different ideologies or maybe even no ideology at all. And that's a good thing. Expressly protecting a constitutional right in state code that supports the robust exercise of First Amendment rights is a win for all Nebraskans. Thank you for your time and opportunity to speak with you.

BREWER: All right, thank you. Let's see if we have any questions for you. Any questions for Zack? Senator Conrad.

CONRAD: Thank you, Zack. Appreciate your testimony and being here and sharing a little bit more about kind of the current legal landscape in regards to some of these issues. And I just want to make the point perhaps more clearly or more firmly that-- well, I think we can all agree that the utilization of the heavy hand of government to engage in viewpoint discrimination is wrong, which is what this measure seeks

to get at. Nobody is trying to diminish the important work that state actors carry out in regards to consumer protection. Is that a fair assessment, kind of, of how you're looking at some of these issues?

ZACK PRUITT: That's right. Thank you for the question, Senator. And the court, even in the decision, talks in many instances about what they call a means and fit, which is there's always going to be an interest of the government, but that has to be balanced with the need for privacy and association. And so in certain instances, it becomes clear when the government in, for instance, AFPP case, they were collecting-- they have what we call a blanket disclosure rule, basically said everyone has to send us all the names. And the court said that that's, that's not good enough. That's a little bit infringing. But what you're talking about, there are instances when-- and the legal term of art that the court used is narrow tailoring-- is that the government could in instances narrowly tailor something if there's a specific need, as long as that's balanced against the rights of groups to not have their associational privacy violated.

CONRAD: Right. Thank you so much for helping me tease that out. And I think that's a familiar legal framework, right, when we're looking at how government interfaces with individual liberties and rights, right? If it's a fundamental right, the government has to have a compelling reason to come in and it's still got to be narrowly tailored, right? So I think that's really helpful. And I think that we can all agree, regardless of where a charity falls on perhaps the political spectrum, if there is such a thing for charities-- I think there probably is to a certain degree. If a charity were abusing its resources in a way that was antithetical to their charitable mission, regardless of what kind of work they do or who they are, we would want to make sure that state actors have the ability to address that through their regulatory powers. Is that kind of a fair assessment?

ZACK PRUITT: That's correct and that's why one of the the exemptions in the bill, I believe on page 3-- it's from the Auditor's Office--

CONRAD: Yes.

ZACK PRUITT: --I know there is-- to where if there is evidence that someone is abusing their mission or any requirements under Nebraska law, then they would be able to initiate an investigation and those investigations would be completely immune from the protections of this bill.

CONRAD: Right.

ZACK PRUITT: And the organizations would potentially have to give over whatever lists that were required in the investigation.

CONRAD: Very good. Thank you so much.

BREWER: Actually, that was a very good exchange. I learned a lot there. All right, additional questions? All right, thank you for your testimony. OK, let's see. We are still on proponents of LB297. We'll go to opponents. Welcome to the Government Committee.

KORBY GILBERTSON: Good afternoon, Chairman Brewer and members of the committee. For the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. I'm appearing today as a registered lobbyist on behalf of Media of Nebraska Incorporated. We probably would be here in a neutral capacity, but Senator Halloran never likes me to do that, so. I don't know how to start this other than to say we agree wholeheartedly with the intent of this legislation. My first half of my testimony was going to be talking about Supreme Court cases and everything that's gone on and the importance that Media of Nebraska puts in. Their entire purpose here is First Amendment rights. So my opposition comes from the standpoint of we need to make darn sure this doesn't have some unintended consequences. There were-- there has been several-- similar legislation passed in other states that was used for a much different purposes, specifically in Missouri, where groups hid behind the guise of being a nonprofit but were doing political work. We would argue-- one people would argue. And so we just want to caution the committee and the Legislature that in trying to, trying to codify what is already law, you might go a little further than you intended. And so we just hope that you'll be very careful and make this as narrowly tailored as necessary so that it doesn't go too far. And that's all I have.

BREWER: All right, thank you. Let's see if we have any questions for you. Senator Conrad.

CONRAD: Thank you. Good to see you, Ms. Gilbertson. Feels very formal. But I think that's a helpful cautionary note. And, you know, I think it's always a challenge-- and you know from your long-standing work in this institution-- to figure out, like, when is it appropriate for the state to codify existing law or Supreme Court precedent? And what's the best way to go about that? Because, of course, we don't do that in every instance, for every case that comes down, right, for a lot of

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different reasons. And I know that-- I, I mean, I can't speak for Senator Sanders, but just knowing how she operates, I'm sure that she'd be willing to come to the table with Media of Nebraska and other stakeholders, as would I, to try and figure out the right technical or mechanics if this measure were to move forward, but.

KORBY GILBERTSON: Right and I don't-- you know, when we discussed this, we didn't necessarily have any verbiage changes.

CONRAD: OK.

KORBY GILBERTSON: It's just the overarching we sure hope this doesn't turn into a problem in five or six years since we did-- there isn't really any evidence of a problem right now.

CONRAD: Right.

KORBY GILBERTSON: And so the concern is stuff might make it through and we just wanted to have that caution given to the committee before you decide to do anything

CONRAD: Right, kind of a sword versus shield kind of--

KORBY GILBERTSON: Yeah.

CONRAD: --kind of endeavor. OK.

KORBY GILBERTSON: Right.

CONRAD: Balancing act. Thank you. Thank you.

BREWER: Senator Raybould.

RAYBOULD: Ms. Gilbertson, you had mentioned something about Missouri and a nonprofit.

KORBY GILBERTSON: There was a specific instance in Missouri. There is a law similar to this that was passed in Missouri and then it was used-- and I'm not-- I believe you have some submitted testimony from some folks that couldn't get here today regarding the specifics of they used it to shield some activities and events that went on with the governor so that they would not have to disclose for funding all of that.

RAYBOULD: OK. Thank you.

KORBY GILBERTSON: Sure.

BREWER: OK, additional questions? All right, thanks, Korby.

KORBY GILBERTSON: Great. Thank you.

BREWER: All right, so we're still on opponents to LB297. Welcome to the Government Committee.

ANNE HINDERY: Thank you. Good afternoon, Chairman Brewer and members of the Government, Military and Veterans Affairs Committee. My name is Anne Hindery, A-n-n-e H-i-n-d-e-r-y, and I am the CEO of the Nonprofit Association of the Midlands, or NAM. NAM is a nonprofit with more than 780 organizational members that is dedicated to strengthening the collective voice, leadership and capacity of nonprofit organizations that enrich the quality of life throughout the communities in Nebraska and western Iowa. We help nonprofits help their communities. There are more than 13,000 nonprofits in our state, each trying to make a difference on their own. We bring them together so that each member can benefit from our collective strength. Thank you for the opportunity to testify on LB297. We do appreciate the bill sponsor's intent and interest in the nonprofit sector. However, we do have concerns about hampering reasonable transparency and accountability of nonprofits. That is why NAM is opposed to LB297. LB297 would prohibit state agencies from requiring any nonprofit organization for-- from providing personal information regarding their donors. While we fully agree that all donors and their donation amounts should be kept private from the public, we do not agree that state agencies, including law enforcement, should be kept in the dark. Their job is to protect the public and the excessive ban on collecting information undermines their ability to do so. Under current federal law, no one is entitled to access a nonprofit's donors. This information is disclosed to the IRS on Form 990 Schedule B, but that information is redacted from publishing or posting of the Form 990, which in essence is our tax return. Nonprofit donor information is already safe, secure and confidential. NAM is opposed to LB297 for these reasons. This proposal is not needed. LB297 is a solution to a problem that simply does not exist. The broader nonprofit community is not seeking this legislation. Lawmakers should pause to ask why not? This legislation is, is chasing a hypothetical threat of what might happen in the future based on something that didn't happen in the past. Additionally, LB297 goes against standards of donor stewardship and philanthropic efforts. The development world already has an international code of ethics and a donor bill of rights created by

AFP, the Association of Fundraising Professionals, that are widely respected and followed by nonprofits and development professionals, staff volunteers that are involved in fundraising for 501(c)(3) organizations. Balance is also needed to ensure the public trust. Charitable nonprofits need law enforcement oversight of the sector to help maintain integrity of public trust. All charitable nonprofits wholeheartedly defend the rights of donors to privacy and oppose public disclosure of donor information. The sector cannot thrive without that protection. If there is an actual or even a theoretical risk of access to confidential information, the full weight of the law should be on preventing abuse by individual government officials. That includes forbidding the accessing of confidential information outside of an official inquiry. So the bottom line is that the charitable nonprofit sector is not asking for legislation designed to protect our organizations. We work with government to promote and protect the public good and rely on the public trust that this bill would undermine. Thank you again for the opportunity to testify. NAM appreciates the committee's work and is always available to provide insight and data from the nonprofit sector. Thank you again for the opportunity and I'm happy to take any questions.

BREWER: All right. Thank you, Anne. When you gave the example of law enforcement needing information, could you take that one a little bit farther and kind of help us to visualize what that would look like, what, what law enforcement might need from a nonprofit?

ANNE HINDERY: You bet. So, for example-- and unfortunately, we've seen this in nonprofits as well as other businesses, if there's an embezzlement that goes on and they need to kind of dig into the records and say, OK, you got money from so-and-so, was it spent in the appropriate manner, you need to be able to connect all those dots.

BREWER: All right, questions? Senator Halloran.

HALLORAN: Thank you, Chairman Brewer. Thanks for your testimony. So you make a comment in your testimony where it says, we work with government to promote and protect the public good and rely on the public trust that this bill would undermine. Specifically, how would this bill undermine public trust?

ANNE HINDERY: Well, if, if it takes one, one lever away from being reasonable regulations and transparency, then there could be some concerns, like how is their money being, being used and conveyed? You know, public-- nonprofits are really the essence of people donating,

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that they are the public's money. People donate to our organizations to offer our services. And so if we can ensure that there's checks and balances for if anything would happen, that if law enforcement needed to look at a nonprofit, they would have access to all the appropriate records.

HALLORAN: Thank you.

BREWER: OK, additional questions? All right, thank you for your testimony.

ANNE HINDERY: Thank you.

BREWER: OK, we are still on LB297 opponents. Anybody here in the neutral? Welcome to the Government Committee.

KELLY LAMMERS: Chairperson Brewer, members of the Government, Military and Veterans Affairs Committee, my name is Kelly Lammers, K-e-l-l-y L-a-m-m-e-r-s. I am Director of the Nebraska Department of Banking and Finance appearing today in a neutral position on LB297. LB297 would adopt the Personal Privacy Protection Act to prohibit state and local governments from requiring any nonprofit organization from providing personal information regarding their donors. The department understands the intent of this bill to prevent the state, for political purposes, from compelling nonprofits to disclose their supporters and donors. We met with Senator Sanders' staff. We were advised LB297 was not intended to interfere with licensees or proper regulatory purposes. We are hopeful an amendment can be drafted because LB297 would adversely impact the department's required regulation of credit unions, broker dealers and mortgage bankers. Excuse me. State-chartered credit unions are exempt from taxation under Section 501(c)(14) of the Internal Revenue Code. Department is mandated under the Credit Union Act to regulate and examine these institutions. LB297 could not-- we could not require the production of any document that would identify members of the credit union. As such, we would not be able to conduct examinations since a loan and account files will identify members of the credit union. Members of the board of directors, supervisor and other committees and officers must be members of the credit unions, which would impact our review of their fitness. Under the Securities Act of Nebraska, the department is responsible for the regulation of broker dealers and their agents; 1,355 broker dealer firms and 129,941 agents of broker dealers were registered by the department fiscal year ending June 30, 2022. Applications are submitted on forms through electronic systems

maintained by the Financial Industry Regulatory Authority, FINRA. FINRA is a government-authorized nonprofit organization exempt from taxation pursuant to 501(c)(6). It is a self-regulatory organization for broker dealers, broker dealer agents and exchange markets. As part of the registration process, applications are submitted on uniform forms through electronic systems maintained by FINRA for all state and federal securities agencies. LB297 would apply to FINRA and would adversely affect the information flow between the department and FINRA and severely impede our registration investigation processes. Broker dealers are members of FINRA. The bill prohibits the department from compelling FINRA to disclose information identifying the members of FINRA. The bill also appears to prohibit an agency from entering into a contract with a nonprofit where the nonprofit is required to identify its membership. If so, that will inversely-- adversely impact the use of electronic systems, which FINRA operates, which we use pursuant to our agreement with FINRA. If we were unable to utilize the FINRA systems for the firms or their agents, many efficiencies in the regulation process would be lost, as the department does not have the resources to manually register the firms and agents, nor the resources to establish its own electronic system. Under the Residential Mortgage Licensing Act, nonprofit organizations are exempt from licensing as mortgage bankers if they obtain a nonprofit certificate of exemption from the department. LB297 would hinder our review and approval process for these certificates because the bill could prevent the department from requesting any information as to members, including officers and directors of an applicant certificate holder. While we do not request any list of donors or any roster of members or volunteers, we do request management and organization charts and information on how employees are compensated. The bill would severely limit our ability to conduct a thorough review of each applicant, the majority of which are housing assistant organizations and ensure compliance with the act. The department hopes to continue discussions to work out an amendment which will allow for effective regulation of these industries. Thank you, Senator Sanders, Sanders for early discussion and to the committee for the opportunity to present these concerns. Certainly at this time, I'd be open to any questions.

BREWER: All right, thank you. OK, questions? The earlier question I asked about it negatively affecting law enforcement's ability to look at records, I guess I had-- I interpret it as that it wouldn't affect their ability to-- for law enforcement to look at records. Do you have a read on that?

KELLY LAMMERS: I represent banking and finance. We are a licensing entity and as-- I would not consider that law enforcement. Possibly I misread that, Senator.

BREWER: Oh, well-- and I didn't mean necessarily to cause you to mix the two. I just thought while I had your, your mind at work here, I'd see if you had an opinion on that. But since I'm leaning a little out of your wheelhouse here, we won't question you any more on that. Any other questions? All right, thank you. Oh, I'm sorry. Senator Raybould.

RAYBOULD: Yes. Thank you. Mr. Lammers. Can you talk a little bit about the, the safeguards in the current system, the-- that the banks use with the brokers to protect a lot of their information?

KELLY LAMMERS: The nonprofits, relative to collecting information that have safeguards, if I'm understanding your question correctly, would be similar to examinations of a credit union. In that case, we would go in and ask who runs the organization, who is the manager, what is their compensation? We may ask, relative to what is an interest rate, that they typically charge or pay, depending on which side of a transaction. And then we would ask for a list of those people that were paid that transaction just to confirm that it, in fact, accounts. That, that it reconciles with each other. So in, in many cases, that information is collected. It is maintained in a manner that we protect, we safeguard and then it is destroyed in a protected manner as well. The way we use that information is only inception-- exception based. So in other words, the report of examination simply referenced that the account reconciled or they did not, that management is paid something that references a benchmark or they are not. So the information is collected to simply offer a confirmation and nothing more than that.

RAYBOULD: OK. Thank you.

BREWER: All right, any additional questions? Thank you for your testimony.

KELLY LAMMERS: Thank you.

BREWER: All right, any additional neutral testifiers for LB297? We will invite Senator Sanders back up to close. I need to read in we have received seven letters of support, five letters in opposition and one in the neutral. Additional letters may be coming due to inclement

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weather. The extension has been extended. So with that, Senator Sanders, please.

SANDERS: I know I'm standing between you and a four-day weekend.

BREWER: Don't feel bad about that.

SANDERS: Are there any questions?

BREWER: The only one I ask on the law enforcement part of that, I'm trying to-- and I was trying to read as we were working-- it's a little hard to do there-- to see if it specifies in there whether or not the law enforcement would be restricted from being able to have access to the records.

SANDERS: That was-- that's something we'll have to get back to with you.

BREWER: Well, this is the beauty of having a legal counsel. Any law enforcement-- or any law, lawful warrant, subpoena, other-- others issued court orders for us to do-- it does not-- law enforcement would be able to collect information so it doesn't restrict them. All right, other questions? Senator Raybould.

RAYBOULD: Senator Sanders, I don't know-- could you address some of the, I guess the thinking, brokering concerns that were raised by Mr. Lammers?

SANDERS: I will get back with you on that--

RAYBOULD: OK.

SANDERS: --because I think that gets into some of the details and possibly the unmeant consequences, right, of this bill. I know it doesn't mean to, but I'll check and give you more of the details.

RAYBOULD: OK. Thank you.

SANDERS: Thank you.

BREWER: OK, any other questions for Senator Sanders on LB297? All right, with that, we will close the hearing on LB297 and we will close our hearings for the day.